



SOUTH JERSEY ECONOMIC DEVELOPMENT DISTRICT



Comprehensive Economic Development Strategy

March 2023



SOUTH JERSEY ECONOMIC DEVELOPMENT DISTRICT

BOARD OF DIRECTORS

ATLANTIC COUNTY

- Commissioner John Risley, *Chairman*
- Max Slusher

CAPE MAY COUNTY

- Commissioner Will Morey, *Vice Chairman*
- Leslie Gimeno

CUMBERLAND COUNTY

- Commissioner Douglas Albrecht, *Treasurer*
- Sandra Forosisky
- Anthony Stanzione
- Jerry Velazquez

SALEM COUNTY

- Commissioner Edward Ramsay, *Secretary*
- M. Jay Einstein
- Carey Italiano
- Frederick Young

OTHER OFFICES

CUMBERLAND/SALEM/CAPE MAY WORKFORCE DEVELOPMENT BOARD

- Christy DiLeonardo

ATLANTIC COUNTY WORKFORCE DEVELOPMENT BOARD

- Francis Kuhn

STAFF

- Louis C. Joyce PP, AICP, *Executive Director*

CFO

- Francine B. Springer

SOLICITOR

- John Carr, Esq.



TABLE OF CONTENTS

Comprehensive Economic Development Strategy

CONTENTS	PAGE
INTRODUCTION	1
SECTION 1: ECONOMIC AND DEMOGRAPHIC OVERVIEW	4
Regional Demographics	4
Employment	6
Revitalization Programs	14
Summary and Implications	15
SECTION 2: THE IMPACTS OF THE COVID19 PANDEMIC ON THE SOUTH JERSEY REGION	19
A Huge Unknown: The Near-Term and Long-Range Impacts of COVID-19	19
County Impacts	20
Local and Regional Impacts on Gross Domestic Product	21
Forecast of Small Business Impacts	22
The Ongoing Impact of the COVID-19 Pandemic	23
SECTION 3: STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)	24
Overview	24
Strengths of the South Jersey Region	24
Weaknesses of the South Jersey Region	28
Opportunities in the South Jersey Region	30
Regional Threats to the South Jersey Region	31
Summary	32
SECTION 4: ENVISIONING POLICIES AND STRATEGIES FOR THE SOUTHERN NJ REGION	33
Goals	33
Crafting a Regional Vision	34
SECTION 5: IMPLEMENTATION, RESILIENCE AND EVALUATION STRATEGIES:	
<i>THE PATH FORWARD</i>	36
Introduction	39
1. The Action Agenda	39
2. Ensuring The Economic & Cultural Resiliency and Sustainability of the South Jersey Region	46
3. Evaluating and Implementing the CEDS	49
Summary	50
Next Steps	51
Appendices	53

INTRODUCTION

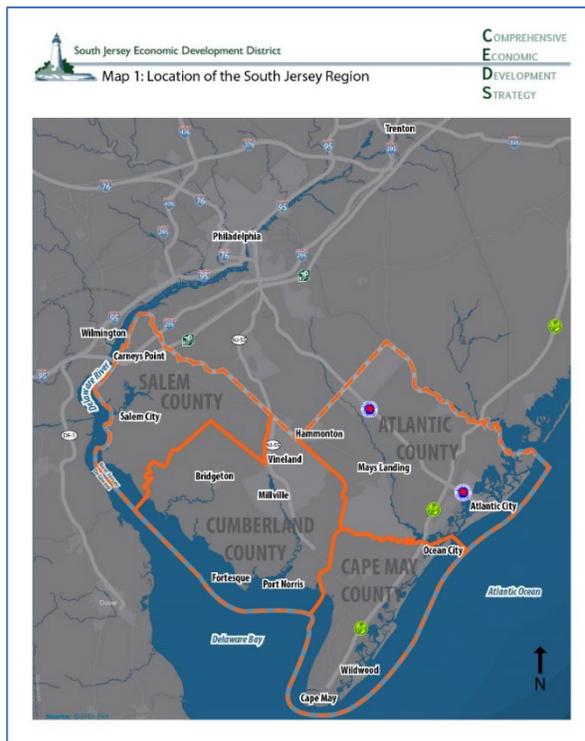
The South Jersey Economic Development District encompasses a four-county region of southern New Jersey, including the counties of Atlantic, Cape May, Cumberland, and Salem. The District was established in the early 1980s with the mission to encourage economic development and redevelopment in one of the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

The Board of the South Jersey Economic Development District prepared and adopted the FY 2015-2020 Comprehensive Economic Development Strategy (CEDS), establishing a framework for economic development and regional collaboration over those five years. That document was significantly updated in 2020 to reflect the District's vision into 2025. Considering the significant developments to the region's economy, altering the District's strategic approach to its economic development goals and objectives, this new version of the CEDS has been developed to address those changes.

This current update to the 2020-2025 CEDS reflects the vision of the District, its constituent municipalities and counties, and is used by those members as a vehicle through which project priorities, economic development, and redevelopment initiatives may be identified and funded. This CEDS is consistent with the U.S. Economic Development Administration (EDA), which requires an EDA-funded project to be compatible with the CEDS. The USED A *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.”

This CEDS brings together economic development leadership, political constituents, community officials, the general public, and other stakeholders in an effort to take a close look at the SJEDD region today. It



those changes that have occurred or are underway in the region today that may warrant a shift in policy or priorities. Specifically, this document addresses the following issues:

1. The economic and demographic characteristics of the region. The CEDS reflects the significant changes that have occurred since the previous update of the CEDS;
2. The implications of economic and demographic changes. The document presents an assessment of policy implications for the District and region, including new or revised goals and objectives.
3. The CEDS reviews economic development plans and project priorities in each of the counties and the major development accomplishments of its member counties over the previous five-year period;
4. The CEDS defines policy adjustments to reflect a greater emphasis on economic resiliency, implications from the COVID-19 crisis, and other issues that affect the ability of the region to foster a diverse and healthy regional economy;
5. Community and stakeholder outreach is integral to the CEDS. The District has engaged the regional community and its stakeholders in the planning process so that the CEDS is a broad-based document, inclusive of multiple perspectives, interests, and points of view. This challenge was particularly difficult in light of the pandemic facing the region.
6. The CEDS ensures compliance with the direction provided by the U.S. EDA in the preparation and development of the document; and finally
7. It presents a Strategic Action Agenda as well as a revised inventory of project priorities and regional economic development initiatives which the District supports and that can enhance the job and development opportunities of the South Jersey region.



This document is broken into five sections. Section One examines any significant changes that have occurred in the economic and demographic characteristics of the region over the past five years. It explores new economic opportunities that have arisen as well as new challenges that may be on the horizon. Section Two provides an overview of the COVID-19 crisis and the potential impacts that the pandemic will have on the future of the South Jersey economy. Section Three follows with a presentation of a regional SWOT Analysis which assesses the challenges and opportunities facing the South Jersey region today. Section Four then evaluates the SWOT with the on-the-ground assets of the region and the issue of economic

resiliency, in order to modify the regional economic development vision, goals, and objectives. Section Five provides a plan summary and detailed Action Agenda for the South Jersey District along with a summary of the public outreach that was conducted with both the counties and regional stakeholders that led to the development of the Action Agenda.

The CEDS is a living document. It can be changed and modified by the Board of the South Jersey Economic Development District to reflect the needs and changes in the region and to address new challenges and opportunities as they may emerge. Recently, the region has been hard hit with the fallout from the COVID-19 pandemic. Emerging from the economic impacts of this challenge, the regional leadership and its economic development partners must find ways to identify investments in innovation that will complement traditional approaches to expanding the economy, creating new jobs while retaining existing jobs, and developing new industry to sustain growth and promote a more resilient regional economy. These will be the primary goals of this CEDS.

EXECUTIVE SUMMARY

Since the prior CEDS was submitted, there have been a number of changes in the region. The composition of the regional population continues to be in flux, with the White population decreasing by approximately 10% over the past five years while the numbers of Some Other Race have doubled. In addition, the percentage of those claiming Latino or Hispanic origin continues to rise, with an average annual growth of 4.37%. When compared to the rest of the State of New Jersey – one of the most well-educated states in the union – the four-county region experiences a much lower rate of educational attainment; however, some of the major employment sectors within the region do not require a college degree.

The impacts of the global COVID pandemic have been mitigated, with cases statewide falling to among their lowest point in the past year (NYTimes, October 2022). The local and regional economies have bounced back. Tourism has rebounded to pre-pandemic levels. Regional and national unemployment rates have fallen in most communities to pre-pandemic levels. All of these trends point to an improving job and investment market in southern New Jersey. However, the rate of inflation has accelerated. Interest rates are on the rise. These trends, which fluctuate regularly, point to the need for constant monitoring in order to allow counties and regional officials to respond to anticipated impacts and promote resilience and economic sustainability throughout the region.

The COVID-19 crisis in particular, posed both short- and long-term challenges for the region and its economy. While the pandemic and its most significant impacts have lessened, we have all learned over the past two years that nothing concerning COVID-19 is predictable.

While some of the challenges and threats facing the South Jersey economy from competition for labor, industry, and tourism dollars are similar to those of other regions, there are distinct differences. Climate change poses potential dangers to the shore economies and the long-term viability of coastal businesses and communities. Educational and skill levels of the region's workforce continue to lag behind those of the State. Critical infrastructure deficits, particularly in the areas of broadband, public sewer and water, and transportation services restrict development in many areas of the region. The cost of living, which historically has been one of the region's assets, is becoming more costly especially for many low- and moderate-income residents. In addition, the COVID pandemic seriously impacted the pace of business development and labor force expansion and remains a potential threat.

Two of the most critical challenges facing the region are a lack of transportation infrastructure and a lack of affordable workforce housing. As the population of the region grows and the economy expands, addressing these challenges will be a priority of the District and its member counties.

But the region also possesses a number of strengths and assets that can be the foundation for growth and economic sustainability. Investment in clean energy is being led by the development of the new Wind Port in Salem County and the Ørsted wind farm just off the Atlantic City shore. New investments in the aviation and aeronautic industries are being made in Atlantic and Cape May Counties. The National Aerospace Research & Technology Park in Atlantic County and smaller technology investments specializing in food processing, innovative manufacturing and other business venues are occurring throughout the region. Cumberland County’s new food specialization center and new food businesses are helping to drive new investment in that community. 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.

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

MAP OF INDUSTRY CLUSTERS

Below, you will find a map of the region’s major industries: Aviation, Manufacturing, Hospitality, and Technology. This map aggregates these industries by the number of employees per ZIP code: the larger the circle, the more employees in that ZIP code.

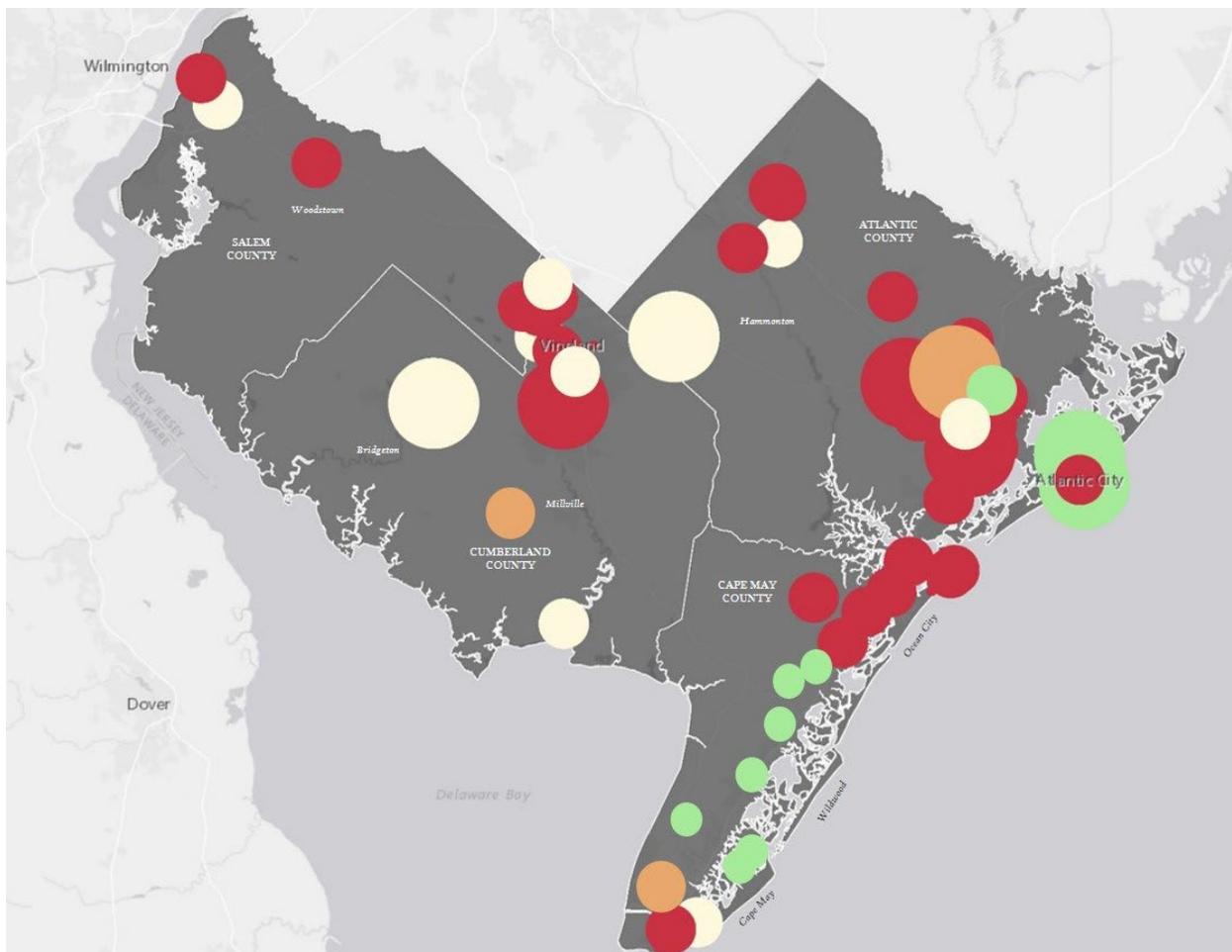
The orange circles are Aviation. These circles are inclusive of airports, commercial and cargo aviation, medical aviation, and various support businesses.

The tan circles represent Manufacturing. These circles are inclusive of all types of manufacturing entities, from breweries to the food processing facilities prevalent throughout the region.

The green circles are Recreation, Hospitality, and Entertainment. These circles represent entertainment facilities such as tourist attractions, night clubs, live and movie theaters, amusement and theme parks, art galleries, campgrounds, casinos, golf courses, health clubs, museums, parks, recreation centers, skating rinks, public swimming pools, tennis courts, water parks, bed and breakfasts, historical places, hotels and motels, inns, RV parks, and travel agencies and bureaus.

The red circles are Technology. These circles include cellular telephone services, computer and equipment dealers, computer software firms, electronic equipment retail, home theater systems, and video gaming. It should be noted that these statistics also include retailers of technology.

Major Industry Clusters in the South Jersey Region



Source: Esri, 2022

This document is a comprehensive overview of the four-county southern New Jersey economy. The sections that follow provide considerable background, data, and other information that provide a picture of existing conditions and trends; strengths and challenges; and regional and county priorities.

The bulleted summary below represents an inventory of near-term actions that are priorities of this CEDS. Following this listing, Section 1 begins a much more detailed presentation of the CEDS and its role in the region’s growth and development.

WORKER COMMUTATION STATISTICS

The statistics below explain the movement of workers in and out of the four counties in the SJEDD region. Please note, as these numbers come from different sources, the population and number of jobs in each county may differ slightly from other parts of this document.

Table 1
Atlantic County

	Count	Share
Employed within Atlantic County	107,148	100.0%
Employed within Atlantic County but Living Outside the County	38,080	35.5%
Employed and Living within the County	69,068	64.5%
Living in Atlantic County	110,599	100.0%
Living in the County but Employed Outside the County	41,531	37.6%
Living and Employed in the County	69,068	62.4%
Net Outflow	-3,451	-

Source: New Jersey State Data Center

Table 2
Cape May County

	Count	Share
Employed within Cape May County	29,477	100.0%
Employed within Cape May County but Living Outside the County	10,475	35.5%
Employed and Living within the County	19,002	64.5%
Living in Cape May County	35,145	100.0%
Living in the County but Employed Outside the County	16,143	45.9%
Living and Employed in the County	19,002	54.1%
Net Outflow	-5,668	-

Source: New Jersey State Data Center

Table 3
Cumberland County

	Count	Share
Employed within Cumberland County	52,661	100.0%
Employed within Cumberland County but Living Outside the County	23,041	43.8%
Employed and Living within the County	29,620	56.2%
Living in Cumberland County	57,809	100.0%
Living in the County but Employed Outside the County	28,189	48.8%
Living and Employed in the County	29,620	51.2%
Net Outflow	-5,148	-

Source: New Jersey State Data Center

Table 4
Salem County

	Count	Share
Employed within Salem County	19,752	100.0%
Employed within Salem County but Living Outside the County	11,942	60.5%
Employed and Living within the County	7,810	39.5%
Living in Salem County	30,920	100.0%
Living in the County but Employed Outside the County	23,110	74.7%
Living and Employed in the County	7,810	25.3%
Net Outflow	-11,168	-

Source: New Jersey State Data Center

SUMMARY OF NEXT STEPS

NEAR-TERM REGIONAL PRIORITIES

- Advance one new project per quarter to the U.S. EDA for funding
- 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
- Address food deserts
- 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
- Market opportunities for Rail, Port, and Industrial Park investment in the region
- Continue to support investment in a statewide air cargo masterplan
- Create and maintain an inventory of the region's existing and available industrial sites
- Promote collaboration for workforce development
- Identify funding for boardwalk and tourism development
- Create a South Jersey District Data Dashboard

MID-TERM REGIONAL PRIORITIES

- Advance project development
- 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

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

REGIONAL AND INTERCOUNTY INITIATIVES AND NEAR-TERM PRIORITIES

- 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 development, 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

- Website expansion and development
- Business retention
- Business development and industrial expansion
- Targeted industry expansion
- Tourism and shore town investment
- Brownfield and old industrial site redevelopment
- Infrastructure investments
- Rail development or conversion to tourism-based attractions
- Road infrastructure development
- Broadband and internet investment
- Sewer and water expansion
- Diversification of regional economy

SECTION ONE

AN ECONOMIC AND DEMOGRAPHIC OVERVIEW OF THE SOUTH JERSEY REGION

REGIONAL DEMOGRAPHICS

Updates to the original 2015-2020 CEDS have included several key economic and demographic characteristics, including

- The composition of the regional population
- Employment and unemployment statistics
- Tourism impacts
- Regional industrial and manufacturing trends
- Anticipated Job Growth
- Educational and Workforce Characteristics



Further updates to the document have examined each of these aspects of the South Jersey region to determine whether there have been any significant changes in these areas that may suggest the need for changes in SJEDD policies or programs.

The first statistic that bears examining is trends in the regional population. While Cumberland and Salem Counties experienced growth between the 2000 and 2010 censuses, all of the counties in the SJEDD region experienced a moderate decline between 2010 and 2020. Atlantic County's population remained virtually unchanged, losing only 15 people, with Cape May County seeing the steepest decline, losing 2,002 people, representing slightly over 2% of its population. Overall, the region saw a small decline of slightly over 1%.

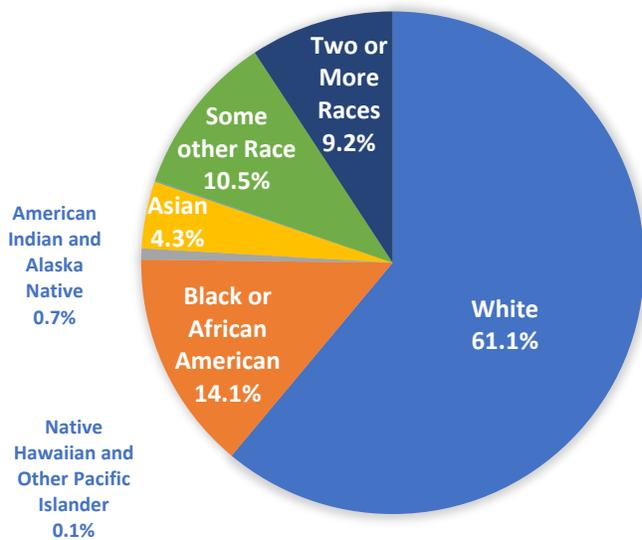
While the region saw a relatively small decline over the past decade, the numbers have proven to be significantly less than what was predicted by the 2018 *American Community Survey Population Estimates*. Predicting nearly a 4% drop in the region's population, the actual numbers seem to be far less reason for alarm.

However, when taken in the context of the population of the State of New Jersey, however minor the population decline may be throughout the region, if it is not a cause for alarm, it is certainly a cause for a raised eyebrow and a modicum of concern. Considering that the State of New Jersey has gained population in the same period – 8,414,350 in 2000, 8,791,894 in 2010, and 9,288,994 in 2020 – a gain of 874,044 (9.4%) between 2000 and 2020. In fact, other than Sussex County, the four counties in the SJEDD region were the only counties in New Jersey to lose population over the past decade: the other sixteen counties saw increases in their population, ranging from a modest 0.5% in Hunterdon County to gigantic gains of 14.3% in Hudson County, 10.5% in Ocean County, and 10.2% in Essex County.

Table 5
Regional Population Trends

	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%

Source: U.S. ACS Estimates, 2018, and U.S. Census Data, 2020.



The graph to the left is a representation of the racial breakdown of the SJEDD region. When compared to the same chart from the 2017 edition of this document, one can see that the White population has dwindled by approximately 10%, while Some Other Race has doubled. Black and Asian populations have remained stable. The 2017 version did not include a statistic for Two or More Races. Considering the relatively high percentage represented by this statistic, this may explain the loss of percentage in the White population.

While the racial makeup of the region has remained relatively unchanged, the number of residents claiming Latino or Hispanic

origin continues to rise. Considered separately from race, Hispanic or Latino origin is not represented in the chart above. The 2018 *American Community Survey* significantly underestimated the growing numbers of Hispanic residents, particularly in Cumberland County as shown below in Table 6.

Table 6
Hispanic or Latino Origin

	2000	2010	2018 ACS Estimates	2020	Average Annual Change 2000-2020
Atlantic	30,729	43,558	50,510	53,713	3.74%
Cape May	3,378	6,054	6,954	7,465	6.05%
Cumberland	27,823	42,457	45,966	53,054	4.53%
Salem	2,498	4,507	5,276	6,535	8.08%
SJEDD Region	64,428	96,576	108,706	120,767	4.37%

Source: U.S. ACS Estimates, 2018, and U.S. Census Data, 2020.

As seen in the table below, educational levels throughout the SJEDD region tend to lag behind those in both the State of New Jersey and the nation as a whole. There is a higher high school dropout rate in the region, with almost 3% more of the population of the region having not graduated from high school. The percentage of the population indicating that they have “some college” education is higher in the SJEDD region than in the State, indicating a higher incidence of college dropout, as well. While the region has a higher rate of Associate’s degrees than the State, when the huge disparities between those having attained a Bachelor’s or Graduate degree are taken into account, this indicates that many in the region declined to progress beyond the Associate’s level. Taken on their own, the incidence of Bachelor’s and Graduate degrees are considerably less in the SJEDD region than in the State or the Nation: the rate of Bachelor’s degrees is almost 8% lower in the SJEDD region than throughout the State and the rate of Graduate degrees is slightly over 7% less.

When compared to the State of New Jersey – which has one of the most highly educated populations in the nation –, the numbers below tell the story of a regional population with limited educational attainment; however, as will be seen throughout the remainder of this document, the SJEDD region is home to numerous industries that don’t require a college education. As such, the limited educational attainment serves to provide these industries with the workers they’ll require to fill those jobs.

Table 7
Educational Attainment by County

	Nation	State	Region	Atlantic	C.M.	Cumb.	Salem
<9 th Grade	4.80%	4.60%	4.89%	4.83%	2.16%	7.64%	3.30%
9 th – 12 th Grades	6.45%	4.83%	7.54%	6.99%	3.59%	11.88%	6.31%
High School Diploma	26.36%	26.07%	33.50%	30.66%	29.96%	39.01%	38.64%
Some College	20.03%	16.08%	19.36%	20.02%	20.46%	17.52%	18.98%
Associate’s Degree	8.78%	6.68%	8.00%	7.19%	8.69%	7.43%	11.59%
Bachelor’s Degree	20.53%	25.28%	17.38%	19.70%	22.23%	11.26%	13.70%
Graduate Degree +	13.05%	16.47%	9.33%	10.61%	12.91%	5.26%	7.49%

Source: Emsi Q1 2022 Data Set, provided by Salem Community College

As seen in the table below, the adoption of broadband internet throughout the region lags significantly behind the State as a whole, with a higher incidence of no internet access available in over 3% of the population and a lack of broadband access lagging behind the state at 4%. As will be discussed further throughout this document, the development of fast, reliable, and affordable internet access is an area of significant need.

Table 8
Internet Access by County

	State	Region	Atlantic	C.M.	Cumb.	Salem
Broadband Subscription	77.0%	73.0%	74.8%	76.1%	68.2%	70.2%
Other Subscription	9.1%	9.4%	9.0%	8.8%	10.2%	10.7%
Internet Access w/no Subscription	2.4%	2.9%	2.4%	2.5%	3.9%	2.9%
No Internet Access	11.5%	14.7%	13.8%	12.6%	17.7%	16.2%

Source: Esri, 2022

EMPLOYMENT

The ongoing COVID-19 crisis (which will be examined in further detail in the following section), has had wide-ranging and significant implications on the job market and employment rates in South Jersey. The unemployment rates in the SJEDD region continue to lag behind the State’s unemployment rate. The unemployment situation in the region had been improving in the years prior to the pandemic; however, the uncertainties attributed to COVID-19 have decidedly thrown the region’s labor market into an unpredictable tailspin.

The size of the labor force in the region and in all four counties individually had been growing prior to the pandemic; however, the virus has contributed to sharp declines in Atlantic and Cape May Counties and a modest decline in Salem County. Only Cumberland County has seen more inhabitants join the workforce during the pandemic. Unemployment levels in the region jumped to their highest levels during the statewide quarantine and shutdown in April of 2020 and remain unnaturally high through the beginning of 2022.

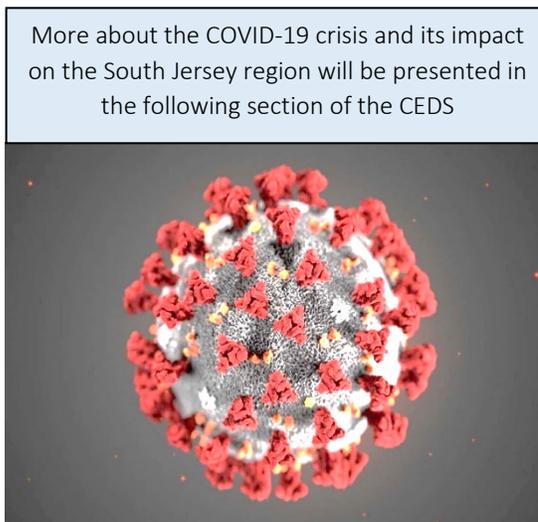


Table 9
Labor Force and Unemployment, 2019-2021

	July 2019		July 2020		July 2021	
	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate
Atlantic	125,545	5.5%	128,333	23.1%	121,132	10.7%
Cape May	57,216	4.7%	57,533	12.7%	54,653	6.6%
Cumberland	63,048	6.5%	64,108	14.2%	67,079	9.2%
Salem	28,935	5.0%	30,652	12.6%	30,206	8.7%
SJEDD Region	274,744	5.5%	280,626	17.8%	273,070	9.3%

Source: U.S. Bureau of Labor Statistics via FRED, Federal Reserve Bank of St. Louis Economic Research, not seasonally adjusted. Please note that previous versions of this document drew these numbers from the NJ Department of Labor & Workforce Development; however, website difficulties prevented the authors from using the same source for this version. As such, data in this section may differ slightly from previous versions.

EMPLOYMENT FLOW

Using the labor force numbers above and the number of jobs available in each county, it is possible to calculate the net inflow or outflow of workers per county. The previous version of this document noted that each county had a net outflow of workers; however, that seems to have changed slightly since then. Atlantic and Cape May counties are importing a significant number of workers, while labor force participants in Cumberland and Salem counties are finding work outside of those counties.

Table 10
Employment Flow

	Number of Jobs	Labor Force	Inflow (Outflow)
Atlantic	154,014	121,132	32,882
Cape May	56,929	54,653	2,276
Cumberland	58,267	67,079	(8,812)
Salem	21,632	30,206	(8,574)
SJEDD Region	290,842	273,070	--

Number of Jobs Source: Esri, 2021; Labor Force Source: U.S. Bureau of Labor Statistics via FRED, Federal Reserve Bank of St. Louis Economic Research, not seasonally adjusted. Please note that the regional total for Net Outflow of workers is not the sum of the four counties, since outflow from one county may be counted as inflow to another of the region's counties.



TOURISM EMPLOYMENT AND TRENDS

For decades, tourism has been one of the strongest sectors in the regional economy; however, the industry suffered acutely in 2020 from the COVID-19 pandemic and its associated shutdowns, closures, and anxieties. Regardless, early reports indicate that the region experienced a strong recovery in 2021, with many metrics surpassing the record-setting numbers of 2019. According to NJBIZ, hotel bed taxes collected in Atlantic, Cape May, Monmouth, and Ocean Counties are expected to total \$19.2 million in 2021, reflecting an increase of 71% over the pandemic-stricken 2020 and 22% over the banner year of 2019. In addition, summer beach tag sales also increased, with the City of Cape May seeing increases of 35% over 2019 and the City of Ocean City posting a 4.5% increase, according to the same source.

Table 11
Tourism Spending by County (in millions of 2020 dollars)

	2018	2019	% Change	2020	% Change
Atlantic	\$7,392	\$7,784	5.3%	\$4,846	-37.7%
Cape May	\$6,617	\$6,905	4.4%	\$5,448	-21.1%
Cumberland	\$354	\$355	0.3%	\$253	-28.7%
Salem	\$201	\$220	9.5%	\$155	-29.5%
SJEDD Region	\$16,582	\$17,283	4.2%	\$12,722	-26.4%
State	\$44,722	\$46,442	3.8%	\$29,351	-36.8%

Source: Economic Impact of Tourism in New Jersey, VisitNJ.org

Using 2018 and 2019 as recent, “typical” years, we see that tourism spending in the region outpaced the rest of the state, with Atlantic and Cape May counties doing so by quite a large margin. These gains – and, indeed, similar gains over the preceding four years – were encouraging, as it appeared that the

challenges confronting the gaming industry had begun to wane. However, as the pandemic raged, Atlantic County, with the lion’s share of the State’s gaming industry, saw the greatest revenue losses, significantly outpacing losses throughout the region and the State.

Table 12
Tourism Visitation by County (by millions of visitors)

	2017	2019	% Change	2020	% Change	2021	% Change	% Change from 2019	Share of State
Atlantic	17.9	23.0	28.5%	16.2	-29.6%	20.3	25.3%	-11.7%	21.0%
Cape May	9.3	10.2	9.7%	8.1	-20.6%	10.3	27.2%	1.0%	10.7%
Cumberland	0.8	0.9	12.5%	0.8	-11.1%	0.8	0.0%	-11.1%	0.8%
Salem	0.4	0.4	0.0%	0.4	0.0%	0.4	0.0%	0.0%	0.4%
SJEDD Region	28.4	34.5	21.5%	25.5	-26.1%	31.8	24.7%	-7.8%	32.9%
State	103.2	116.2	12.6%	84.6	-27.2%	96.6	14.2%	-16.9%	100.0%

Source: Economic Impact of Tourism in New Jersey, 2021, VisitNJ.org

However, the 2021 tourism numbers indicated a strong recovery. While the statewide industry still hadn’t regained all of the losses caused by the pandemic, the recovery – particularly in the SJEDD region – was encouraging. Visitation numbers, which dropped throughout the region by over a quarter between 2019 and 2020, recouped most of its losses, seeing only a 7.8% decline in 2021 from 2019. Atlantic and Cape May Counties were the most affected by these trends, with visitation in Salem County remaining relatively unchanged.

As would be expected, spending trends followed visitation trends downward in 2020, with a similar resurgence in 2021. In 2021, tourism spending statewide was still off 2019 numbers by nearly 20%; however, the SJEDD region fared much better, with spending only slightly over a 10% loss from 2019. All of the region’s counties experienced significant declines in spending between 2019 and 2020, with Atlantic County’s year-to-year growth over 2020 topping 40%.

Table 13
Tourism Spending by County (in millions of current dollars)

	2017	2019	% Change	2020	% Change	2021	% Change	% Change from 2019	Share of State
Atlantic	\$6,856	\$7,784	13.54%	\$4,846	-37.7%	\$6,848	41.3%	-12.0%	18.3%
Cape May	\$6,374	\$6,905	8.33%	\$5,448	-21.1%	\$6,623	21.6%	-4.1%	17.7%
Cumberland	\$350	\$355	1.43%	\$253	-28.7%	\$309	22.1%	-13.0%	0.8%
Salem	\$199	\$220	10.55%	\$155	-29.5%	\$178	14.8%	-19.1%	0.5%
SJEDD	\$13,779	\$15,624	13.39%	\$10,702	-31.5%	\$13,957	30.4%	-10.7%	37.4%
State	\$42,790	\$46,442	8.53%	\$29,351	-36.8%	\$37,334	27.2%	-19.6%	100.0%

Source: Economic Impact of Tourism in New Jersey, 2021, VisitNJ.org

We see the same trends hold true in terms of employment. Atlantic County, with the highest tourism employment numbers, saw the biggest losses as the pandemic ravaged the State, outpacing the three other counties, the region, and the State. Cumberland and Salem county’s employment numbers had already been falling prior to the pandemic, with significant losses occurring in 2020. As above, these losses were recouped somewhat in 2021, with employment numbers throughout the region only slightly more than 8% less than 2019 numbers. Three of the four counties in the region experienced lower employment numbers than 2019, with only Cape May County seeing small (<5%) gains.

Table 14
Tourism Direct Employment Impacts by County

	2017	2019	% Change	2020	% Change	2021	% Change	% Change from 2019	Share of State
Atl	47,978	54,697	14.0%	35,694	-34.7%	47,133	32.0%	-13.8%	17.4%
C.M.	26,885	26,981	0.4%	23,265	-13.8%	28,304	21.7%	4.9%	10.5%
Cumb	3,308	3,178	-3.9%	2,414	-24.0%	2,653	9.9%	-16.5%	1.0%
Salem	1,588	1,648	3.8%	1,244	-24.5%	1,380	10.9%	-16.3%	0.5%
SJEDD	79,759	86,504	8.5%	62,617	-27.6%	79,470	26.9%	-8.1%	29.4%
State	328,844	342,937	4.3%	237,391	-30.8%	270,566	14.0%	-21.1%	100.0%

Source: Economic Impact of Tourism in New Jersey, 2021, VisitNJ.org

Regardless, the vast majority of gaming employees continue to live within the district.

Table 15
Gaming Employment Trends

	2018	2019	% Change	2020	% Change
Atlantic	24,445	23,547	-3.7%	19,618	-16.7%
Cape May	549	529	-3.6%	419	-20.8%
Cumberland	479	449	-6.3%	362	-19.4%
Salem	31	27	-12.9%	19	-29.6%
SJEDD Region	25,504	24,552	-3.7%	20,418	-16.8%
State	27,558	26,425	-4.1%	21,902	-17.1%
District Percentage of Gaming Employees	92.5%	92.9%	0.4%	93.2%	0.3%

Source: New Jersey Casino Control Commission Annual Reports, 2018, 2019, and 2020

While industry experts expect the full resurgence of New Jersey’s tourism numbers not to happen until the summer of 2023, many of Atlantic City’s casinos have been spending significant amounts of money on improvements to their facilities in early 2022:

- Resorts enclosed its rooftop pool with a retractable roof and spent \$5 million on new table games, slot machines, remodeling its high-limit slots, and creating a new VIP room.
- Ocean Casino Resort is planning \$100 million worth of new amenities, including finishing 12 floors of hotel rooms that were never completed by Revel, as well as redoing its sports book and adding an eatery.

- Bally’s Atlantic City is spending \$100 million over five years on various projects, including a 360-degree bar, an indoor/outdoor beer garden, and redoing 750 hotel rooms.
- Caesars Atlantic City plans to begin work on a new theater and a new restaurant.
- Tropicana Atlantic City plans to add eight new food and beverage outlets.
- Harrah’s Resort Atlantic City plans to open three new dining outlets.

TRENDS IN INDUSTRY SECTORS

Table 16 below shows business trends in all four counties. In the seven years between 2012 and 2019, the numbers of businesses were decreasing rapidly in nearly all sectors: only Communications showed modest growth of 5%, which, considering the increase in the ways and means of communications over those seven years, is to be expected.

During the pandemic, these trends accelerated. The Communications sector completely lost the gains of the past seven years, seeing a 14.2% drop in the number of businesses in the region. There were no other significant growth sectors during the pandemic. The average year-to-year loss between 2012 and 2019 calculates to approximately -2.6%; however, this rate actually slowed slightly during the two years of the pandemic.

There are new initiatives in the region in a number of industry sectors that have the potential to transform the local economy.

Unclassified businesses also showed improvements over the years studied; however, the reasons causing these increases are impossible to define. One may surmise that, particularly during the pandemic, residents of the SJEDD region found new, previously undefined business opportunities for themselves as their previous sources of employment shuttered.

*Table 16
Industrial Sector Business and Employment Trends in the SJEDD Region – Number of Businesses*

	2012	2019	% Change	2021	% Change
Agriculture & Mining	708	553	-21.9%	513	-7.2%
Construction	2,717	1,724	-36.5%	1,547	-10.3%
Manufacturing	648	560	-13.6%	508	-9.3%
Transportation	906	642	-29.1%	579	-9.8%
Communication	181	190	5.0%	163	-14.2%
Utilities	121	78	-35.5%	76	-2.6%
Wholesale Trade	1,106	643	-41.9%	565	-12.1%
Retail Trade	6,578	5,614	-14.7%	5,354	-4.6%
Finance, Insurance, Real Estate	2,224	1,836	-17.4%	1,785	-2.8%
Services	10,444	8,592	-17.7%	8,317	-3.2%
Public Administration	1,552	1,260	-18.8%	1,137	-9.8%
Unclassified	454	550	21.1%	585	6.4%
TOTAL BUSINESSES	29,651	24,261	-18.2%	23,150	-4.6%

Source: Esri, 2012, 2019, 2021 – The Hospitality sector is included among Services and Retail above.

While the decrease in the number of businesses in the region shown in Table 16 may be considered a cause for alarm, as Table 17 shows, over the same period of 2012 through 2021, employment increased modestly through 2019, primarily due to significant gains in the relatively small Agriculture & Mining sector as well as in the Service sector, which is much more impactful on the local economy. The employment gains seen in the Service sector between 2012 and 2019 are due to an expanding health care industry as well as significant post-Great Recession gains in the hospitality and entertainment industries.

However, the modest gains seen between 2012 and 2019 were completely eradicated by the COVID-19 pandemic and the resulting recession. This period saw a small increase in employment in the Finance, Insurance, and Real Estate sector; however, the other classified sectors saw drastic losses in employment. As above, Unclassified businesses saw huge gains during the same period.

*Table 17
Industrial Sector Business and Employment Trends in the SJEDD Region – Number of Employees*

	2012	2019	% Change	2021	% Change
Agriculture & Mining	3,272	3,935	20.3%	3,693	-6.1%
Construction	15,923	10,698	-32.8%	10,325	-3.5%
Manufacturing	16,079	13,639	-15.2%	12,553	-8.0%
Transportation	8,621	7,766	-9.9%	6,814	-12.3%
Communication	1,818	1,247	-31.4%	1,134	-9.1%
Utilities	2,448	1,835	-25.0%	1,780	-3.0%
Wholesale Trade	8,780	6,777	-22.8%	6,402	-5.5%
Retail Trade	77,285	67,300	-12.9%	66,280	-1.5%
Finance, Insurance, Real Estate	15,155	13,592	-10.3%	13,770	1.3%
Services	142,239	178,012	25.1%	138,496	-22.2%
Public Administration	35,723	29,621	-17.1%	28,482	-3.8%
Unclassified	1,674	577	-65.5%	1,113	92.9%
TOTAL EMPLOYMENT	331,029	337,018	1.8%	292,863	-13.1%

Source: Esri, 2012, 2019, 2021 – The hospitality sector is included among Services and Retail above.

ANTICIPATED JOB GROWTH

As the world slowly learns to grapple with the realities of a communal existence with COVID-19, economic changes are certain and already underway; however, the human and industrial assets in the region remain relatively unchanged. Below, Table 18 discusses the growth by industry sector in each of the four counties. Devised well before the COVID-19 pandemic, the rationale behind the numbers below still holds; however, we do expect variances from these predictions as the economy of the region realigns itself post-pandemic.

Originally published in 2014, The NJ Department of Labor & Workforce Development anticipates growth through 2024 or 2028 in multiple sectors. The most significant sectors are those where annual growth exceeds 1.0% in three or more of the four counties, including professional/business services, ambulatory health care, construction, waste management, arts, entertainment & recreation, nursing & residential care, and real estate & rental leasing.

Table 18
Anticipated Growth by Industry Sector

	Atlantic	Cape May	Cumberland	Salem	SJEDD Region
Self-Employed and Unpaid Family Workers	0.28%	1.64%	6.90%	0.00%	2.29%
Mining	0.00%	0.00%	-12.50%	13.57%	10.37%
Utilities	3.61%	-12.50%	66.67%	1.18%	3.25%
Construction	3.29%	6.17%	14.50%	50.40%	11.24%
Manufacturing	-3.91%	4.90%	0.76%	9.80%	1.58%
Wholesale Trade	5.10%	-5.88%	16.48%	25.00%	11.13%
Retail Trade	-2.43%	0.29%	1.77%	-26.92%	-2.48%
Transportation and Warehousing	7.01%	3.03%	7.23%	37.93%	16.06%
Information	-30.26%	-31.82%	-16.67%	-50.00%	-25.60%
Finance and Insurance	-9.87%	-6.74%	-3.49%	-2.44%	-7.35%
Real Estate, Rental, and Leasing	1.43%	10.00%	-2.50%	6.67%	3.64%
Professional, Scientific, and Technical Services	8.63%	9.65%	10.53%	10.00%	9.17%
Management	13.51%	50.00%	36.00%	0.00%	20.53%
Waste Management	10.20%	2.40%	13.43%	6.80%	9.50%
Educational Services	4.39%	2.17%	5.18%	3.17%	4.16%
Health Care and Social Assistance	16.39%	17.26%	23.19%	12.75%	18.08%
Arts, Entertainment, and Recreation	6.37%	24.46%	26.19%	20.00%	16.22%
Accommodation and Food Services	13.12%	6.87%	29.91%	7.52%	12.81%
Other Services (except Government)	2.10%	9.39%	19.90%	5.56%	7.53%
Government	2.49%	-2.68%	-3.49%	8.52%	0.22%
Total - All Industries	7.19%	5.15%	9.63%	10.08%	7.65%

Source: NJ Department of Labor & Workforce Development, Projections through 2028

In addition, there have been a number of significant developments since the update to the 2015-2020 CEDS that augment the trends seen here. With the legalization of cannabis, new opportunities for job growth and development exist in the agricultural and retail industries. Having expanded the number of licensed cultivators in October of 2021, the State's Cannabis Regulatory Commission (CRC) began accepting applications for retail establishments in December of 2021. Throughout the region, municipalities have approved numerous projects. However, while regional development of cannabis

projects is increasing, because the crop remains illegal at the federal level, the future of this industry remains questionable.



Atlantic County has invested heavily in the future of the aviation and aeronautics industry. The County has created an Aviation & Aeronautics District and is planning to construct an Aviation Training & Maintenance Academy to train new workers for employment in a range of industry-specific jobs. Embry Riddle Aeronautical University – one of the nation’s leading aviation training institutions – has been engaged to play a role

in the regional growth and development of this industry.

Cape May County is on a similar path with the construction of its new Tech Hangars at the Cape May Airport Geared to drone technology and testing, this facility has already secured clients, and County officials are moving to expand to a second phase of the Center’s development. The location of the Tech Hangars is perfectly situated to facilitate the testing and development of a wide range of drone aircraft and related industries. Commercial fishing in Cape May, Atlantic, and Cumberland Counties, including oystering, are also sectors of the agribusiness economy that contribute over \$325,000,000 to the local economy.

The advent of a major offshore wind farm has also spurred interest in the South Jersey region. Offshore wind on the Atlantic Coast could spur 300,000 jobs and \$200 billion in national economic activity, with 1,500 jobs and \$6 billion in economic activity in southern New Jersey. The first offshore wind installation in New Jersey is the Ocean Wind project. This \$1 billion, 1,100-megawatt wind farm is being built by Ørsted, a



Danish company. The New Jersey Board of Public Utilities has since approved two further projects – Atlantic Shores and Ocean Wind II –, expected to produce 2,658 megawatts of clean power by 2029. Ørsted is establishing its Operations and Maintenance Center in Atlantic City, and other wind operators

are siting similar facilities in this City. Atlantic City and Salem County are also competing for the State's WIND Institute to be located in their jurisdictions. In March 2020, the NJBPU approved the former B.L. England site in Upper Township as a site to interconnect the offshore and onshore power grids. Atlantic Cape Community College approved a \$1.4 million contract for the construction of a Wind Training Center at its Worthington Atlantic City campus in December of 2021. The Paulsboro Marine Terminal has been the site of many improvements, including the building of the only wharf in the Western Hemisphere capable of transloading offshore wind monopile segments, currently being fabricated in Rostock, Germany, and being transported across the Atlantic Ocean for finishing at the Paulsboro facility. The second phase of development there, currently in the planning phase, will make this the first facility fully capable of offshore wind monopile fabrication in the nation. In addition, Lower Alloways Creek Township in Salem County was chosen as the site for the NJ Wind Port, the first purpose-built Wind Port in the United States. This facility, which is expected to support 1,500 jobs in related industries when completed, will be a major boost to the region's economy and does not appear in Table 18 since the estimates predated the employment forecast for this facility. These "green economy" developments encompass not only clean energy initiatives but many of the ecotourism, fishing, and environmental investments being made throughout the region that are aimed at enhancing both jobs and the quality of life.

This industry certainly complements the aeronautic technologies being promoted in Atlantic and Cape May Counties. The Woodbine Airport in Cape May County has been a recent beneficiary of new aviation-related development. At Cape May County's airport, the first buildings are 100% leased, with construction on the second building beginning mid-2023. The County is actively cultivating the interest of a range of technology and innovation businesses.

In Cumberland County, both the City of Bridgeton and the County's Improvement Authority (known now as "The Authority") are investing in new food science and processing technologies. The Authority recently opened a new food specialization center at the Florida Avenue Industrial Park in Bridgeton, and the City is exploring new tools to enhance its attractiveness as a Food Industry Hub. Both the Food Specialization Center and the Cape May Airport and Innovation Hub were funded in part with grants from the U.S. EDA.



In addition, the Vineland Industrial Parks are seeing significant new development. A new South Vineland Park at Lincoln Avenue, Main Road, and Route 55 is nearing completion, facilitated by the development of the Northeast Precast Project, and there are expansions in cold storage, food processing, and glass manufacturing occurring throughout the County.

Cold-storage, food processing, and packaging facilities are also growing at a rapid rate in Vineland, with nearly a dozen such construction or expansion projects having been reviewed by the County planning board since 2020. As cold-storage space is at a premium throughout the Eastern Seaboard, Vineland's

access to I-295 and the New Jersey Turnpike via Rt. 55 places the city's industrial parks in a prime location to service that need.

As the State of New Jersey is currently experiencing a resurgence of its film industry. With the acquisition of Fort Monmouth by Netflix, there are new opportunities for investment in the film industry throughout the region. The State's generous tax credits – currently between 30% and 35%, including a 2% diversity incentive for hiring minorities and women and an additional 5% for filming in the State's eight southernmost counties, including the SJEDD District – are cited as a major factor for bringing the industry to the State.

The James Hurley Industrial Park in Millville recently received its first tenant, a large food processing facility, and the Oatley Food Plant in South Millville is undergoing an expansion. The Millville Airport Industrial Park welcomed Jet East, a new aviation maintenance tenant, in the second half of 2021, and advanced manufacturing operations are being initiated or expanded in a number of food processing and other companies.

The Rowan College of South Jersey continues to expand along the Route 55 corridor, partnering the Cumberland Campus with the Rowan University School of Osteopathic Medicine, Inspira Health, Rowan University/Rutgers-Camden Board of Governors, and the Cumberland County Board of County Commissioners to bring a new medical facility to Vineland. Dedicated to the health and psychological well-being of children and families, the 15,000 square-foot, \$10 million building will house Rowan Medicine clinics in pain management, pediatrics, family practice, and behavioral science, as well as a Child Abuse Research Education and Service Institute.

Stockton University in Galloway, Atlantic County, is at the forefront of aviation innovation. Located in proximity to the Atlantic City Airport and the FAA William J. Hughes Technical Center, the National Aviation Research and Technology Park (NARTP) was created as an auxiliary organization of the University, dedicated to facilitating research and development, innovation, and commercialization of aviation technologies.

In Salem County, the Delaware River Industrial Corridor is undergoing redevelopment at the Carney's Point Industrial Park and other locations. The US Department of Transportation approved a \$9M grant for rehabilitation of the Port of Salem, which will add to the growing importance of the Delaware River Maritime Corridor and the future of marine trade and commerce in the region.



Talent Attraction Scorecard

New data in a report entitled the *2020 Talent Attraction Scorecard* from EMSI/Burning Glass, a national leader in labor market information and analysis, assessed six criteria to provide an evaluation of a county’s ability to attract new talent. The six criteria are:

- Net Migration
- Overall Population Growth
- Skilled Job Growth
- Educational Attainment
- Regional Competitiveness
- Annual Job Openings Per Capita

The study then went on to rank counties by size. Counties with populations of 100,000 or more were considered large counties. Counties with populations between 5,000 and 99,999 were classified as small counties, and those counties with populations under 5,000 were considered micro-counties. In the Southern New Jersey region, Cumberland and Atlantic Counties fell into the large county classification. Cape May and Salem County were classified as small counties.

There were 601 large counties examined. Among those counties, Atlantic County ranked 480th in its capacity to attract new talent and Cumberland County ranked 536th. The size of the population base did not appear to be a limiting factor in a county’s capacity to attract talent, since Maricopa County, Arizona finished 1st and Los Angeles County finished 601st among the large counties.

Among the small counties, 2,226 counties were analyzed. Cape May County’s ranking was 1,207 and Salem County was close behind at 1,447. Reeves County, TX, finished first among small counties, and Lauderdale County, MS, finished last. Those counties had populations of just over 13,000 and 80,000 residents respectively.

REVITALIZATION PROGRAMS

OPPORTUNITY ZONES

*Table 19
Location of Opportunity Zones*

ATLANTIC COUNTY		CUMBERLAND COUNTY	
Atlantic City		Bridgeton	
Egg Harbor City		Millville	
Egg Harbor Township		Vineland	
Pleasantville			
Somers Point			
CAPE MAY COUNTY		SALEM COUNTY	
Lower Township		Carneys Point	
Wildwood		Salem City	
West Wildwood			

Opportunity Zones were designated by census tract, based on levels of poverty at or greater than 20% and a median family income at or less than 80% of the national average.

Another significant change in the development environment has been the designation of 13 Federal Opportunity Zones throughout the region. Each of the four counties has several designations that can help to target U.S. EDA financing, other Federal funding, and private investment for development and redevelopment projects. These Zones are located in designated census tracts in the following communities.

NEIGHBORHOOD PRESERVATION PROGRAM DESIGNATIONS

A relatively new program from the State of New Jersey’s Division of Community Affairs is the Neighborhood Preservation Program (NPP), a designation carried by eight communities in the SJEDD region. Focused on enhancing community value by leveraging local assets to create visible, tangible, and community-driven change in the designated communities. These designations are accompanied by a \$125,000 community and business development grant, renewable each year for five years. Following a highly competitive application process, four communities in the SJEDD region were conferred designations, joining the four communities designated in earlier rounds of applications.

Table 20
Location of NPP Communities

ATLANTIC COUNTY		CUMBERLAND COUNTY	
Hammonton		Millville	
Pleasantville		Vineland*	
Egg Harbor City			
Atlantic City*			
Somers Point*			
CAPE MAY COUNTY		SALEM COUNTY	
Cape May City		None	
Wildwood*			

*Denotes 2021 Designation

SUMMARY AND IMPLICATIONS

The results of the 2020 census have been published since the previous CEDS update, and it seems that the negative implications of the American Community Survey projections were more severe and pessimistic than what’s turned out to be the case. The COVID-19 crisis has certainly had a deleterious effect on the economy of the region, exacerbating the challenges noted in previous versions of the CEDS; however, the expected recovery from the pandemic is already underway.

POPULATION DECLINE

The reasons for population decline need to be understood. Regionally, this appears to have mixed explanations. In Cape May County, the population is aging. The percentage of individuals 65 years of age and older (27.3%) is significantly higher than that of the State (16.6%). This fact, coupled with the impact of the seasonal economy that is heavily reliant on tourism and the hospitality industry explains some of the population loss in Cape May County, as many of the seasonal workers within the County may have difficulty in finding reasonably priced summer housing. Further, the census data doesn’t reflect the potential increase in Cape May County’s seasonal population, as is evidenced by a recent boom in second-home development.

In Cumberland County, the population loss is due to the labor force decline. Fewer jobs are available in the County and region, which has caused an outmigration of the County's working-age population. This is particularly evident given that the County's population of senior citizens (15.6%) is less than that of the State figure, and its percentage share of residents 18 years of age and younger (23.7%) is higher than that State share (21.8%).¹

Atlantic and Salem Counties both have a higher percentage of senior citizens than the State as a whole, as well, but their share of young, non-working age individuals is comparable to the State figure. The outmigration of senior citizens to other parts of the region or nation, coupled with a shortage of job opportunities explains much of the region's small population loss.

Other reasons include losses in the long-standing manufacturing sectors where textiles, chemicals, and other manufacturers have left the region. The casino industry lost thousands of jobs from its peak employment in the 1980s and 1990s as alternative gaming sites were authorized throughout the region and online gaming has become available. Birth rates are declining. The COVID-19 pandemic has also impacted the region causing declines in tourism, forcing small businesses to close and hampering operations in many of the area's larger employment sectors. While tourism visits have increased in many areas, tourist spending has yet to reach pre-pandemic levels.

Climate change has also been a major issue, with Superstorm Sandy, Hurricane Irene, and other weather events leaving many shore communities vulnerable. The prospect of sea-level rise due to climate change continues to be a pressing concern for the region. While the shore region is particularly fragile in light of the effects of climate change, the low-lying areas along the Delaware Bay in Cumberland County and the Bay and Delaware River shores in Salem County are far from immune from the effects of climate change. Municipalities throughout the SJEDD region have spent millions of dollars to combat beach erosion, fortify bulkheads, and mitigate flooding throughout their jurisdictions. Infrastructure and the sources of funding thereof will continue to be a priority for the region.

DIVERSIFICATION OF THE POPULATION

While the population has been declining throughout the SJEDD region, this decline has been considerably mitigated by the increasing population of Hispanic or Latino residents, as explained in the demographic overview in Section One. Substantially outpacing the American Community Survey estimates, the Hispanic and Latino population has increased dramatically in recent years, contributing a wealth of culture and opportunity to the region, particularly to the workforce.

Demographic characteristics, such as educational attainment and incomes, which are not as high in the region as in the State continue to point to the need for significant investment in workforce training in order to keep pace with existing and emerging job opportunities in industries such as aeronautics, aviation, and food technology. Language and cultural barriers posed by growing numbers of Hispanic residents further prioritize this need.

¹ A comparison of 2010 and 2020 Census estimates reveals a decline of more than 8,000 persons in the working ages 18-65. This loss is not due to individuals moving into an older age cohort since the numbers of persons over 64 increased by only 3,000.

DECLINE IN LABOR FORCE

Incomes in the region, while faring well against national averages, lag behind the State of New Jersey and also point to the need for higher-paying technology and professional employment. The need for this economic diversification is documented in the District's Resiliency Study, which focuses on the opportunities for industrial expansion and development in light of the anticipated growth in the green energy economy. In addition to the clean energy sector, the aviation and aeronautics sectors in Atlantic and Cape May Counties, and in food production in Cumberland County. New businesses should center around these sectors. However, the continued low levels of education in the region suggest that, of the jobs created in these sectors, the vast majority of jobs filled by area residents will likely be the blue-collar jobs and the management of those jobs. The workers in upper-level jobs will likely need to be imported from elsewhere.

While the tourism industry had a banner year in 2019 and has exhibited growth across the region, it remains seasonal. The 2020 season was severely impacted by the COVID-19 pandemic. The gaming industry, which has seen employment gains recently, has not recovered from its employment high of a decade or more ago and is further hampered by the pandemic crisis. Nonetheless, this sector of the economy is a significant area from which to build and expand new job opportunities.

Particularly important to the future of the regional economy is transportation. Rail and port infrastructure in the region needs to be maintained and expanded. The rail network in Cumberland County serves the significant sand, gravel, and food processing industries. The Port of Salem is an underutilized asset that with redevelopment can augment the growing industrial potential of the Delaware River Maritime Corridor. The Salem County Shortline Railroad, which has been substantially rehabilitated, provides connections from the Port of Salem to the national freight network. Considering the new interest in the potential for the distribution of wind farm assembly, manufacturing, and related commerce, particularly in and around the Port of Salem, it is imperative that this rail line be maintained. Highway corridors throughout the region, particularly those that connect to the greater interstate system, such as NJ Route 47, NJ Route 49, NJ Route 55, U.S. Route 40, the Atlantic City Expressway, and the Garden State Parkway, must be maintained and, in some cases, improved to handle regional traffic needs.

In addition, the COVID-19 pandemic has had an adverse effect on the regional labor force. Businesses across the industrial spectrum were forced to close their doors in March of 2020, and, while many employees chose to wait out the shutdown, many more took the opportunity to start their own businesses or find alternative sources of income. Once the economy began to recover, a significant proportion of these workers opted not to return to their previous positions. Businesses in every industry have seen difficulties in filling their labor needs regardless of incentives and higher pay. Furthermore, as the One Stop Career Centers throughout the region had been closed to the public throughout the pandemic, their services had been curtailed for both employers and workers. Whether these effects are short-, mid-, or long-term remains to be seen.

REVITALIZATION PROGRAMS AND THEIR IMPLICATIONS

The Opportunity Zone Program and the Neighborhood Preservation Program have presented new incentives for private investment in many of the region's distressed communities. Coupled with other tools, grant programs, and similar initiatives, these new designations can help to spur new development and redevelopment.

However, the implementation of these programs takes time. There is a timeline that requires municipalities to act quickly to define projects, clear the regulatory hurdles, and prepare the incentive packages that can lure private sector investment, and, while the municipalities noted above have numerous projects in the works, the completion of many of these projects will be realized over the next five years.

To date, many of the Opportunity Zone programs have been aimed primarily at large residential rental projects, which are not supported by market trends in some of the more rural parts of the region. The extent to which the Opportunity Zone Program will be renewed or expanded is uncertain. Regardless, the continued success of the Neighborhood Preservation Program in areas within the District as well as outside of the area has promising implications. The areas in the region tapped for revitalization by the NPP are some of the most crucial areas in need of redevelopment and have the potential to bear the most fruit.

CONCLUSIONS

Since the prior CEDS was submitted, there have been a number of changes in the regional economy. The impacts of the global COVID pandemic have been mitigated, with cases statewide falling to among their lowest point in the past year, (NYTimes, October 2022). The local and regional economies have bounced back. Tourism has rebounded to pre-pandemic levels. Regional and national unemployment rates have fallen in most communities to pre-pandemic levels. All of these trends point to an improving job and investment market in southern New Jersey. However, the rate of inflation has accelerated. Interest rates are on the rise. These trends, which fluctuate regularly, point to the need for constant monitoring in order to allow counties and regional officials to respond to anticipated impacts and promote resilience and economic sustainability throughout the region.

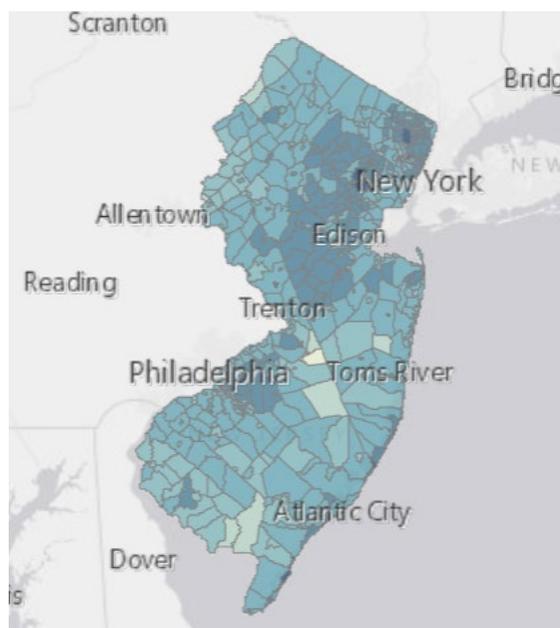
The COVID-19 crisis in particular, posed both short- and long-term challenges for the region and its economy. While the pandemic and its most significant impacts have lessened, we have all learned over the past two years that nothing concerning COVID19 is predictable. The following section of the CEDS takes a look at the details of the COVID crisis and its impacts. The impacts are summarized in Section 2 and a more detailed assessment of each county is found in the Appendix to this document.

SECTION TWO

THE IMPACTS OF THE COVID-19 PANDEMIC ON THE SOUTH JERSEY REGION

A HUGE UNKNOWN: THE NEAR-TERM AND LONG-RANGE IMPACTS OF COVID-19

The world changed drastically in the beginning of 2020, and the economy of South Jersey was far from immune from the impacts of the global pandemic. While the economic forecast of the SJEDD region was experiencing a significant upswing prior to March of 2020, the emergency shutdown of the State in that month had wide-ranging and powerful implications, eradicating the gains seen since the end of the Great Recession. Northern New Jersey in the New York metro area was the first region in the State to experience the deleterious effects of the pandemic while the southern counties remained largely insulated from the initial effects. However, as the pandemic raged, the relative isolation of the southern four counties was insufficient to ward off the effects of the pandemic, and Atlantic, Cape May, Cumberland, and Salem Counties saw infection rates on par with the rest of the State.



Persons with Vaccine Courses Complete, % of population

Table 21
COVID-19 Infection Rates and Vaccination Rates as of January 10, 2022

	Daily Average	Total Cases	Per 100,000	Fully Vaccinated
Atlantic	890	56,322	21,361	62%
Cape May	219	18,625	20,236	71%
Cumberland	469	29,747	19,894	48%
Salem	160	11,587	18,573	52%
SJEDD Region	1,738	116,281	19,749	59%
New Jersey	31,699	1,843,677	20,757	71%

Source: The New York Times

Gross Domestic Product (GDP) is used as **the best measure of overall economic activity in a region**. The GDP is measured at the industry level where final sales take place. The use of only employment data does not take into account the variations in the productivity or value-added qualities of labor. As a result, using both GDP and employment data gives a much more complete view of economic performance.

As can be inferred from the county ranks in Table 22, the GDPs of each of the four counties in the SJEDD region are among the smallest contributors to the overall GDP of New Jersey. Yet, noting the percent change between 2019 and 2020, the SJEDD region saw the widest possible variance, with Atlantic County being the worst hit of New Jersey's 21 counties and Salem County seeing the greatest growth during the same period. With the addition of 2021 numbers, it can be seen that the economy has substantially rebounded from the pandemic.

Table 22
GDP by County (Thousands of Chained 2012 Dollars)

	2018	2019	% Change	2020	% Change	2021	% Change
Atlantic	\$12,127,107	\$12,472,343	2.8%	\$11,074,523	-11.2%	\$12,407,031	12.0%
Cape M.	\$4,932,455	\$4,993,336	1.2%	\$4,681,281	-6.2%	\$5,021,018	7.3%
Cumb.	\$5,929,351	\$5,877,225	-0.9%	\$5,691,671	-3.2%	\$5,947,878	4.5%
Salem	\$4,641,912	\$4,683,214	0.9%	\$5,107,834	9.1%	\$5,231,759	2.4%
SJEDD	\$27,630,825	\$28,026,118	1.4%	\$26,555,309	-5.2%	\$28,607,686	7.7%
NJ	\$550,064,519	\$561,842,799	2.1%	\$535,794,851	-4.6%	\$566,893,216	5.8%

Source: U.S. Bureau of Economic Analysis. "Chained dollars" are weighted by a basket of items that change yearly to more accurately reflect actual spending and consistently use 2012 dollars as the base year.

COUNTY IMPACTS

According to a U.S. Bureau of Labor Statistics, there are 3,142 counties or their equivalent in the United States. Atlantic County, NJ, experienced the greatest year-over-year job loss of 34.2% in June 2020. The next closest region was Maui, Hawaii, with a loss of nearly 33%. Depending on the range of data evaluated, 30% to fully 50% of employment in the shore communities of the region is based around leisure and hospitality. These industries thrive off in-person attendance, which has been severely curtailed or closed outright due to social distancing guidelines and Executive Orders.

Nearly two years into the pandemic, and New Jersey's unemployment rate is lagging behind the national rate. Furthermore, the unemployment rates in all four counties are higher than in the rest of the state; the SJEDD region is similarly higher, as well.

Table 23
Unemployment Rates, November 2022

Atlantic	Cape May	Cumberland	Salem	SJEDD Region	NJ	US
4.0%	6.2%	4.2%	3.9%	4.4%	3.0%	3.7%

Source: U.S. Bureau of Labor Statistics and NJ DOL, November 2022 Statistics

According to the Brookings Institute:

The COVID-19 recession is the most unequal in modern U.S. history. The costs of the pandemic are being borne disproportionately by poorer segments of society. Low-income populations are more exposed to the health risks and more likely to experience job losses and declines in well-being.

This is particularly impactful in many southern New Jersey communities, which historically have been among the most economically disadvantaged in the State.

LOCAL AND REGIONAL IMPACTS ON GROSS DOMESTIC PRODUCT

Using the information on the components of GDP showing the contributions by industry to total output, the information in Table 24 is instrumental in understanding the potential impact of the pandemic on the regional economy. For instance, while the Leisure Services sectors of Atlantic and Cape May counties are responsible for 18.3% and 11.4% of their GDP respectively, the end sales of the Real Estate Renting and Leasing sector are far greater and will certainly be impacted by tourism disruptions. This greatly magnifies the potential economic disruptions due to declines in the Leisure Services industries. This complementary sector needs to be part of any strategy to recover from the current economic slowdown in these counties. Interestingly, Cape May County has seen an uptick in seasonal home occupancy, since many people have elected to work remotely from their vacation homes.

In Salem County, the utility industry, which is centered around the nuclear-generating plants, accounts for 55% of the GDP. Similar to the large (15.8%) contribution of manufacturing in Cumberland County, the relative stability of these sectors despite the pandemic reveals the basis for less economic disruption in these counties compared to the tourism sectors in Atlantic and Cape May counties. Both nuclear energy and manufacturing (especially food processing in Cumberland County) are essential industries while Leisure Services are non-essential and limited by disposable income.

Table 24
Components of Gross Domestic Product (GDP) by County

	New Jersey	Atlantic	Cape May	Cumberland	Salem	SJEDD Region
Private Industries	89.7%	83.3%	83.1%	81.5%	93.0%	84.6%
Agriculture, Forestry, Fishing and Hunting	0.1%	0.7%	(D)	0.9%	(D)	0.5%
Mining, Quarrying, and Oil and Gas Extraction	0.1%	0.1%	0.1%	0.6%	(D)	0.2%
Utilities	1.7%	0.9%	(D)	1.0%	55.2%	10.3%
Construction	3.7%	5.3%	6.1%	4.6%	3.1%	4.9%
Manufacturing	8.4%	1.8%	1.3%	15.8%	5.7%	5.3%
Wholesale Trade	8.3%	3.4%	1.6%	7.5%	(D)	3.3%
Retail Trade	5.6%	7.0%	7.4%	7.4%	2.4%	6.4%
Transportation and Warehousing	3.7%	1.8%	0.4%	(D)	2.6%	1.4%
Information	4.3%	1.2%	1.2%	2.7%	0.3%	1.4%
Finance, Insurance, Real Estate, Rental & Leasing	22.8%	20.7%	36.9%	17.4%	9.3%	20.8%
Real estate and rental and leasing	16.1%	18.4%	34.8%	15.8%	8.7%	18.9%
Professional and Business Services	16.2%	8.5%	(D)	(D)	(D)	3.8%
Edu. Services, Health Care & Soc. Assistance	9.3%	11.6%	5.6%	11.9%	4.1%	9.3%
Arts, Ent., Rec, Accommodation, Food Services	3.5%	18.3%	11.4%	2.0%	1.1%	10.8%
Other Svc (Except Gov't and Gov't Enterprises)	2.0%	2.1%	2.0%	1.7%	0.8%	1.8%
Government and Government Enterprises	10.3%	16.7%	16.9%	18.5%	7.0%	15.4%

Source: U.S. Bureau of Economic Analysis, 2018. (D) = insufficient data

In summary, the service area of the SJEDD has an economic structure that differs markedly from that of the state. **It is of significant importance that many industries – especially Arts, Entertainment, Recreation, Accommodations and Food Services – most impacted by the pandemic are overrepresented in the SJEDD region’s total output as measured by GDP.** This has led to a greater negative economic impact in the region, a conclusion which is supported in more detail in the full report, found in the CEDS Appendix.

While employment data by industry is not available for Salem County, the other three component counties of the SJEDD provide evidence of more severe impacts in the region compared to the state. The overall decrease in non-farm employment in Atlantic County (-19.9%) and Cape May County (-29.7%) far exceeds that of New Jersey (-10.7%). Once again, there is sufficient evidence that declines in the Leisure

and Hospitality sector leave the southern counties far more at-risk. In New Jersey, while the declines are similar in percentage terms, that sector represents only 10% of the overall employment. In Atlantic County, it represents 34% of total employment while in Cape May County it is a very significant 39%.

These analyses lead to several key conclusions for New Jersey and the region. As estimated, the results for the state are that the -12.3% decline in GDP has replaced an expected 3.9% expansion. This resulted in economic losses of \$82B in GDP in 2020. While we projected a recovery in 2021, the losses were nonetheless expected to be \$70B compared to 2019 numbers. While final statistics for the year are still being accumulated at the time of this writing, as of the end of Q3 of 2021, the state had regained what was lost and then some, with GDP at the beginning of July 2021 showing a 5.1% increase over 2019 numbers.

While this economic recovery is encouraging, the future of COVID-19 remains uncertain, and, with it, the economic future of our nation. Predictions, as tenuous as they have proven to be, seem to indicate that COVID-19 isn't going to fully recede and that we will live with it as we do the flu. Even still, the light at the end of this tunnel, is, as always, American Ingenuity: we will find ways to live with this virus that won't upend our entire social structure.

FORECAST OF SMALL BUSINESS IMPACTS

The small business community and real estate sectors in all parts of the South Jersey region are also critically important sectors of the economy that have been adversely impacted by the COVID-19 pandemic. Initial fears that second-home owners in shore communities may opt to sell their homes have proven to be largely unfounded: in fact, at the beginning of the pandemic, many city dwellers chose to spend that terribly uncertain time at their shore homes and away from population centers.

While major retailers have shown signs of recovery, many small businesses impacted nationally by COVID-19 may never recover. In a May 2020 article from the McKinsey Global Institute, it was reported that nearly half of all small-business jobs “are concentrated in a handful of industries, especially accommodations and food services, construction, retailing, and healthcare and social assistance. Two occupational categories—food service and customer service and sales—account for more than four in ten vulnerable small-business jobs.” The customers of these businesses – particularly restaurants and retail outlets – have, for the most part, returned; however, a new and unexpected turn of events is impacting these businesses: customers are returning but workers are not. Even several months after federal unemployment benefits have ceased, many outlets in these industries report labor shortages that affect their ability to serve their client base. This unexpected consequence of the pandemic has no easy explanation, making the task of finding solutions to this issue incredibly difficult.

THE PICTURE NOW – DECEMBER OF 2022

Over the past year, the region, the nation, and the world have made significant gains in battling COVID-19. The number of cases has receded substantially; however, at the moment, transmission rates are above 1, indicating that the number of cases in the region and nationally are growing. While the rates of infection are sharply down and the rate of inoculation is on the rise, strongly indicating that the worst of the pandemic may be behind us, the current growth pattern is reason for pause.

Table 25
 COVID-19 Infection Rates and Vaccination Rates as of December 14, 2022

	Average Daily Cases	Daily Cases Per 100,000	Fully Vaccinated	Infection Rate
Atlantic	61	23	70%	1.09
Cape May	20	22	77%	1.00
Cumberland	36	24	55%	1.14
Salem	11	18	58%	0.97
SJEDD Region	128	22	65%	1.05
New Jersey	2,577	29	78%	1.12

Source: *The New York Times*; Infection Rate Source: *CovidActNow.org*

While the virus will, in all likelihood, forever be a part of our landscape, with its maddening ability to mutate into new variants faster than we can devise vaccines and other mitigants to combat them, our society has likewise adapted, learning ways to live with the virus. Further, as vaccination rates increase and boosters become available, the effects of the virus are significantly lessened, with death rates dropping precipitously since omicron’s surge earlier in the year.

Given the impact that the pandemic had on the regional and national economies, the ongoing threat of COVID and other medical crises suggests that enhanced access to medical services and the development of new treatment facilities should be a priority of the region.

SECTION THREE

STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT)

OVERVIEW

The four counties of the South Jersey region are similar in many ways, but there is also considerable diversity. Each of them possesses characteristics that define them as unique communities. In order to appreciate both the differences and similarities, the following pages present an analysis of the Strengths, Weaknesses, Opportunities, and Threats facing the region. This S.W.O.T. Analysis examines the broad-based issues posed by the region as a whole; then looks more closely at areas where individual counties may exhibit some of their unique characteristics.

STRENGTHS OF THE SOUTH JERSEY REGION

The South Jersey region has a multitude of strengths. Some of them stem from its traditional characteristics and long-time economic base. Others relate to the area's location and proximity to the greater Mid-Atlantic region. In any event, southern New Jersey provides a range of strengths that can be the basis for future economic growth and development. The following are some of the characteristics that exemplify those assets.

A STRONG TOURISM AND RECREATIONAL ECONOMY

Clearly, the region is a premier tourism destination.

Atlantic and Cape May Counties have some of the most popular shore communities in the nation. Gaming remains a significant industry, and despite recent challenges from COVID-19 and regional competition, has posted revenue gains in recent years. All the counties, including Cumberland and Salem, have a number of ecotourism, historic and cultural attractions. The impacts of the COVID-19 pandemic persist and will continue to raise questions about growth in the tourism economy. Nonetheless, this remains a significant asset in the long term.

THE COST OF DOING BUSINESS

Land in the region is relatively inexpensive when compared to other areas of New Jersey. Wages and the general cost of living in this part of the State are also lower. According to 2021 ESRI statistics, the average home value in the region was \$232,892, compared to \$264,021 for the nation, and \$365,698 for the State. The region has abundant land at affordable prices for both residential and business development. Salem County is a reduced sales tax (3.3125%) county and there are Urban Enterprise Zones in Cumberland, Cape May, and Atlantic Counties that offer reduced sales taxes plus incentives for business expansion and development.

The SWOT Analysis defines the various characteristics of the South Jersey region – both those that are favorable as well as those that are unfavorable – with the expectation that these forces will significantly influence the future of the region. By building on the strengths and mitigating the challenges, the South Jersey District can more effectively sustain regional growth.

THE AFFORDABILITY INDEX

While one of the strengths of the region is its lower costs for housing and doing business, there are distinctions in different parts of the region. While real estate costs are less, so are regional incomes. ESRI data show that in Atlantic, Cumberland, and Salem Counties, the housing affordability index was more favorable than the national average. In Cape May County, probably due in great measure to the cost and number of seasonal properties, the affordability index – the ratio of Median Household Income to Median Housing Value – is higher than the national average as shown in the following table.

*Table 26
Housing Affordability Index*

	MEDIAN HOUSING VALUE	MEDIAN HOUSEHOLD INCOME	HOUSING AFFORDABILITY INDEX
Atlantic County	\$240,077	\$62,532	3.84
Cape May County	\$353,547	\$70,205	5.04
Cumberland County	\$174,203	\$57,396	3.04
Salem County	\$202,425	\$64,231	3.15
New Jersey	\$365,698	\$85,683	4.27
USA	\$264,021	\$64,730	4.08

Source: Esri, 2021 Data.

Regardless of the relative affordability of real estate within the region, the current housing market has been creating challenges for residents. Nationwide, the housing market is experiencing a supply shortage, creating a subsequent rise in prices. With incomes remaining relatively stagnant – and significantly lower in the SJEDD region –, this disconnect is increasingly becoming untenable for residents.

*Table 27
Median Sales Price, Single-Family Dwellings, January*

	2019	2020	2021	2022	4-Year % Change
Atlantic County	\$179,950	\$190,550	\$263,000	\$299,500	66.4%
Cape May County	\$315,000	\$311,250	\$516,500	\$588,450	86.8%
Cumberland County	\$113,000	\$144,000	\$191,250	\$185,000	63.7%
Salem County	\$123,000	\$150,000	\$181,000	\$179,750	46.1%
New Jersey	\$299,000	\$332,500	\$404,000	\$440,000	47.2%

Source: New Jersey Realtors®, Monthly Housing Market Statistics

As seen in the table above, the affordability of the region is quickly becoming a thing of the past. While housing prices have traditionally been much lower in this region, the price of single-family housing is increasing at a much faster rate than throughout the rest of the State, with prices increasing almost twice as quickly in three of the four Counties in the region, and the fourth seeing significant increases over the rest of the State. Regardless of this rapid increase, the region continues to remain a great deal more affordable than throughout the other seventeen counties in New Jersey.

A FAVORABLE REGIONAL LOCATION

While somewhat removed from the heart of the northeast corridor, the region is easily accessible to the Mid-Atlantic region and has good interstate and international transportation connections. Atlantic County has regional access to metropolitan areas through the AC Expressway to the west and Garden State Parkway to the north.

Similar access is afforded from Cape May County via the Parkway. Cumberland County has a direct link to the Philadelphia metro area via NJ Route 55 with significant industrial development adjacent to several Rt. 55 interchanges. Salem County is host to the NJ Turnpike, Interstate 295, US Rt. 40 and the Delaware Memorial Bridge giving businesses in the County easy access to the interstate highway system and significant US population centers within a few hours' drive of the County.



UNIQUE HISTORIC, CULTURAL, AND NATURAL ASSETS

The region's rural character, quaint towns and villages, historic sites, and cultural resources offer a unique quality of life and a slower, less-congested pace of life with access to an abundance of natural and recreational amenities. Places such as Fortescue and on the Maurice and Cohansey Rivers provide marinas for both pleasure and fishing boats. Birding is a prominent pursuit in all four counties, with the annual Audubon Society's World Series of Birding drawing thousands of birders to the region. The Cape May Bird Observatory is world-renowned for its research activities. Eco-tourism is becoming a prominent activity including agri-tourism in the rural areas of Cumberland and Salem Counties. The Cape May County Park and Zoo and the Cohanzick Zoo in the City of Bridgeton are recognized for their unique resources, with close to a million visitors attracted annually to these zoos, (750,000 to the Cape May County Park and Zoo alone.)

THE EMERGENCE OF NEWLY TARGETED INDUSTRY CLUSTERS

Key industry clusters such as wind and clean energy; aviation; agriculture and food processing; entertainment and recreation; transportation and logistics; health care; and advanced manufacturing can be the core of an expanded and diversified economy. The region is home to the William J. Hughes FAA Technical Center at the Atlantic City International Airport and the National Aerospace Research and Technology Park which will foster innovation and growth of the regions' aviation and aerospace industry. In addition, the airports at Cape May County and Millville offer ample space for business and industrial growth. In Cape May County, the Cape May Airport has recently opened the "Tech Village" and "The Tech Hangars," attracting innovation and technology-related businesses and manufacturers not strictly related to aviation. Smaller general aviation airports in the counties will support additional

aviation businesses. Sky Scape Industries, a drone subsidiary of American Aerospace Technologies,



recently relocated to the Woodbine Municipal Airport. The Hammonton Municipal Airport, owned by the Town of Hammonton, features terminals, hangars, maintenance facilities, and control towers, as well as parking facilities, retail and dining services, access to local hotels, and transport options such as rental cars, buses, and taxis. The Oldmans Township Airport Authority, a small, private airport located in

Oldmans Township – the only one of its kind in Salem County – is currently undergoing renovations. Agriculture and Agribusiness are significant contributors to the regional economy both for food production and horticultural products. A new Food Specialization Center in Bridgeton complements the Rutgers Food Innovation Center’s investment in food technology. A growing viticulture and winery sector is providing the region with a unique destination tourism opportunity. The regional transportation network connections in Salem and Cumberland counties particularly offer an opportunity to expand on the Transportation Distribution and Logistics (TDL) sector and provide advantages to local manufacturing entities for the supply and shipment of goods. Healthcare opportunities are expanding with the regional hospitals adding significant numbers of specialty care clinics and alternative treatment sites and partnering with regional education institutions for medical training.

THE VISION FOR CLEAN ENERGY PRODUCTION

The development of the “Ocean Wind” facility off the coast of southern New Jersey is the first utility-sized wind farm in the State. The project, being constructed by Ørsted, a Danish company, will supply more than 32 million users with clean energy by 2035. This project is having a ripple effect on the entire region. In June 2020 the Governor’s office announced the construction of a 200-acre Wind Port Facility in Lower Alloways Creek Township in Salem County, which has recently started construction. The Governor indicated that this facility has the potential



to create up to 1,500 manufacturing, assembly, operations, and transportation jobs, as well as hundreds of construction jobs.

STRONG JOB TRAINING AND EDUCATIONAL PARTNERSHIPS

Workforce Development Boards in the region have excellent reputations and bring experience in all sectors of job training and development. In addition, the region has demonstrated good inter-county and inter-municipal cooperation in a range of educational and job development initiatives. Cumberland County opened a full-time technical high school in 2016. Cumberland County has created a Workforce and Economic Development Center at the Cumberland County College. Salem Community College and Salem County Vo-Tech collaborate with the Cumberland-Salem-Cape May Workforce Development Board on specialized training initiatives. Cape May County Technical School and Atlantic Cape Community College have a unique program for a degree pathway in the aviation field leading from high school to a bachelor's degree. The County Colleges in all four counties have articulation agreements with four-year colleges to guarantee transfer students' entrance into a baccalaureate program. In the case of Cumberland County, the former Cumberland County College merged with Gloucester County College, now known as Rowan College of South Jersey, Cumberland Campus. Atlantic County has plans for an Aviation Training and Maintenance Academy and is working with a major aeronautic institution to get that project developed.

To support the need for the wind-energy jobs created by the Wind Port referenced above, Rowan University received \$500 million in federal funding to spend on courses to support jobs in the offshore wind industry. The University plans to offer a curriculum of courses that range from one week to four years for jobs in every level of maintenance and safety of wind turbines.

SPECIAL DEVELOPMENT DESIGNATIONS

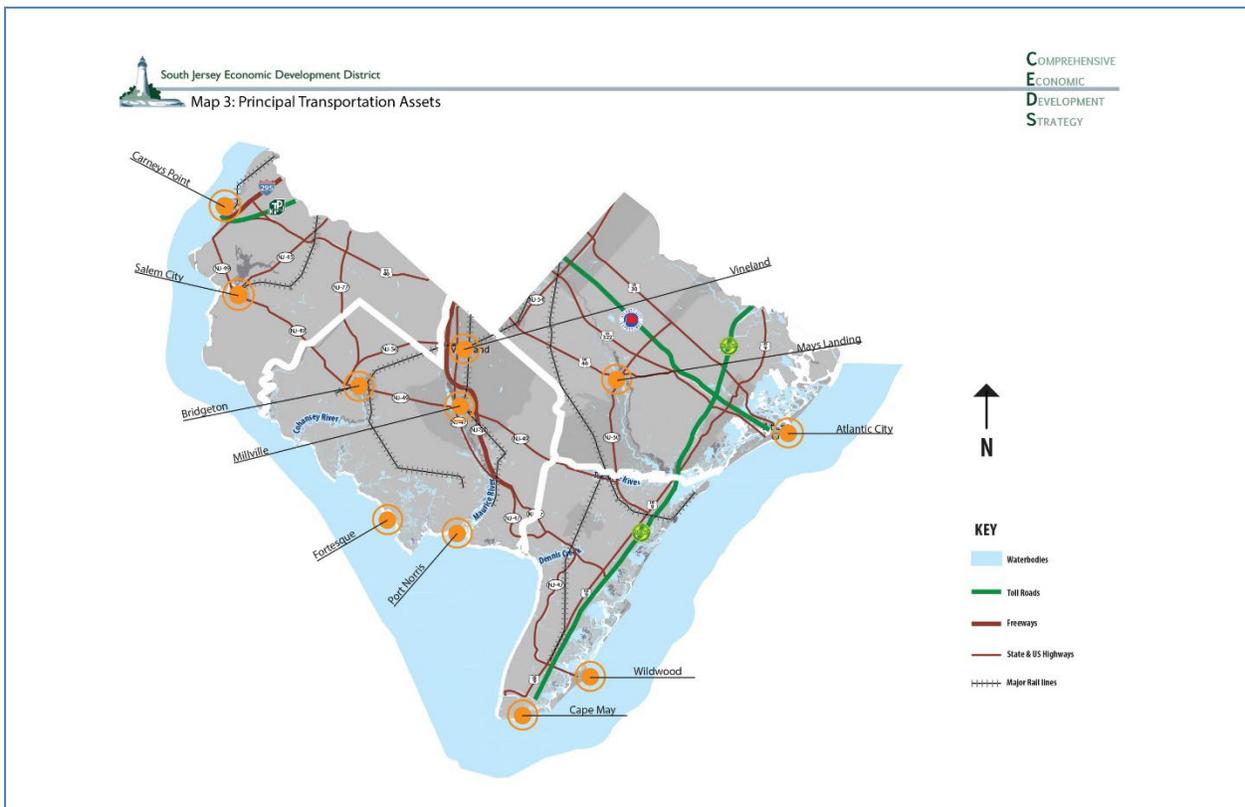
In May 2018, Governor Murphy signed legislation extending Urban Enterprise Zone (UEZ) designation in New Jersey to December 2023. Businesses applying for and receiving certification in these Zones have the ability to levy a reduced sales tax of half the New Jersey State rate, or 3.3125%. In the South Jersey region, UEZs are active in Vineland/Millville, the Wildwoods, and Pleasantville.

Opportunity Zones also exist in many of the region's municipalities. This Federal designation provides investors who finance projects in the Opportunity Zones to reduce their capital gains and realize savings on the long-term appreciation of their investment.

Many areas of the region have special development designations. Foreign Trade Zone (FTZ) status has been granted to the Port of Salem and the Millville Airport. The areas near transit hubs, or are listed as distressed communities are eligible for targeted grants and aid from organizations such as the NJEDA. Additional incentives from the State are available to designated Redevelopment Areas that have been approved consistent with the Local Redevelopment and Housing Law. Federal assistance may be available as well through U.S. EDA and USDA Rural Development funding.

WEAKNESSES OF THE SOUTH JERSEY REGION

Every region has vulnerabilities. The South Jersey region is no exception. One of the primary missions of the CEDS is to identify ways to address or mitigate these weaknesses.



INFRASTRUCTURE NEEDS

The region lacks sufficient infrastructure in the places most attractive to the growth industries of the present and future. This includes broadband and high-speed internet connections which are so vital to the communications industry and all sectors of business as well as limited access to public water and sewer infrastructure in many areas of the region.

A LACK OF WORKFORCE AND PUBLIC TRANSIT

The rural nature of the region and the disbursed location of job clusters means that many people need public transit to get to work. As an example, the NJT Route 553 bus from Bridgeton to Atlantic City is one of the most active transit lines in the entire NJ Transit system. Yet, public transit service is sparse and does not connect all population and employment centers inside and outside the region. Public transit is lacking to service rural populations in the Counties, with limited funding available to establish such services.

As the population of the southern New Jersey Region increases, there will be increasing stress and congestion on the area's roads and highways. This will be particularly true in corridors where residential traffic must compete with expanding warehouse and other large-scale industrial development.

INADEQUATE 21ST CENTURY WORKFORCE SKILLS

One of the long-time weaknesses of the region is a remnant of its historic manufacturing base when people without high school or college degrees could get family-wage jobs in the glass, textile, or food processing industries. This is no longer the case. The regional workforce lags behind the rest of the State

and region in educational and job skills. For example, all four of the region's counties fall well short of New Jersey where 41.2% of residents had a Bachelor's Degree or higher. Yet, higher education comes with a cost, and sometimes it is not necessary in order to secure a living wage. The trades sectors of the economy are all seeking skilled workers, many of whom will be in greater demand as some of the targeted industries in the region's economy expand.

Like many areas of the country, the South Jersey region needs to assess the changes resulting from the COVID-19 pandemic, the new opportunities emerging in the "green economy," clean energy, and the other sectors of the region's industry where new investment and technologies are targeted.



A CHALLENGING REGULATORY ENVIRONMENT

Many areas of the region have important coastal and environmental characteristics. A significant portion of the land is regulated by the New Jersey CAFRA Zone, (Coastal Area Facilities Review Act.) The New Jersey Pinelands Commission is a major presence in the eastern half of the region. While there are certainly good reasons for protecting these critical environmental areas, this creates a challenging regulatory environment.

A SEASONAL INDUSTRY BASE

Again, given the historic nature of the region's economy, the tourism, hospitality, and agricultural industries have been cyclical, providing relatively strong employment opportunities in the growing season and summer months and diminished potential in the off-season and winter months. These trends stem from the limited diversity of the area's economic base and are reflected in the regional unemployment rates. Despite recent challenges, the gaming industry remains one of the largest

employers in the South Jersey region, along with healthcare, tourism, education, and aviation technology.

OPPORTUNITIES IN THE SOUTH JERSEY REGION

There are assets in the region that are important to new and growing industries. These include small but highly skilled occupational clusters that could support other industries that demand technical skills. However, they are not sufficiently coordinated or marketed. The aviation, healthcare, and renewable energy industries represent examples of key technology industries that provide high-paying jobs that foster a significant increase in standards of living. In addition, the following are other opportunities.

REPOSITIONING AND ENVISIONING

As an older industrial market, there are many locations throughout the region where brownfield or grayfield sites lend themselves to redevelopment. They also provide opportunities for repositioning the local and regional economies for new types of businesses and employment. This is particularly true in some of the region's economically distressed urban centers. The New Jersey Business Action Center maintains a database of Redevelopment Areas. There are distinct advantages for a municipality to engage in redevelopment including the provision of property tax abatements, or payment in lieu of taxes (PILOT) agreements and flexible development regulations. Envisioning new linkages between areas of the region where clusters of new industries can be located and where connections can be made between the assets of the region to promote new tourism opportunities can help to spur new growth in retail trade and related services.

REVITALIZED RAIL/PORT INFRASTRUCTURE

A major regional rail/port corridor along the Delaware River is being revitalized. The Delair Bridge in Camden County has been upgraded to handle state-of-the-art 286,000 lb. rail cars, which means it can handle the full range of commodities that might be shipped to or from the South Jersey region. The Port of Paulsboro, while located just outside the South Jersey region, will provide new employment opportunities for area residents. The Port of Salem is undergoing redevelopment and Mid-Atlantic Shipping in Salem City links to international ports with regular liner services. The region's current



mainline and short line rail freight network links many of the brownfield and redevelopment areas, in addition to providing a direct link to the national rail freight network. The NJ Wind Port that is under construction in Lower Alloways Creek Township, will also benefit from the regional network of rail, port, and freight transportation. OmniTrax, the new owner of the shortline Winchester and Western Railroad in Cumberland County, is aggressively pursuing development along these tracks, working closely with Choose NJ on potential industries and businesses that may benefit from rail services, particularly in the Upper Deerfield region of Cumberland County where the land is part of a redevelopment zone. SMS Rail

is expanding the operations of the Salem County short line to include both freight- and tourism-based business.

BURGEONING DOMESTIC TRAVEL MARKET

Concerns for international terrorism and threats to the European travel market make domestic travel an increasingly desirable option. The South Jersey region provides one of the nation's most popular travel



destinations. While hampered by the COVID-19 pandemic, this travel market is on the rebound. One of the challenges the region will face is regaining its share of the market in the post-COVID environment and should be a priority in the CEDS Action Agenda.

POTENTIAL FOR TRANSIT EXPANSION

The planned expansion of light rail transit from the Camden/Philadelphia area to Glassboro will open the northern and western areas of the region to new transit possibilities and employment potential.

HISTORIC AND CULTURAL ASSETS

History and culture are important aspects of South Jersey's character. For example, there are many small towns, villages, and historic sites scattered throughout the region that tell the story of the region's settlement, maritime heritage, glass industry, or native American history. Investing in these assets can help to expand visitation to the region and promote the conservation of the region's past.

TELEVISION AND FILM INDUSTRY

The television and film industry in New Jersey has expanded significantly in recent years. In 2022, the NJ Television Commission reported that 8,500 jobs and \$650 million in economic impacts were created by this industry, a sizeable increase over the 2021 figures. To heighten the growing impact of this industry, on December 21, 2022, Netflix acquired the former army base at Ft. Monmouth in Monmouth County. While this facility is outside of the District's four-county region, Netflix estimates it will generate between \$7.4 billion and \$8.9 billion in output over the next 20 years for production and construction. During peak production, Netflix estimates the project will contribute as many as 3,500 jobs. Once the studio is fully operational, it estimates that Netflix production could contribute between 1,400 and 2,200 jobs annually.

In addition, Netflix expects there to be a considerable ripple effect as the production hub could spark private sector capital investment into adjacent industry infrastructure and businesses, including post-production and other digital facilities and services. This will have spin-off impacts in the South Jersey Region for locational, facility and production needs. There are a number of venues in the region, particularly in Atlantic City and other shore points as well as in many of the cities, towns, and rural villages that could be film venues as well as locations for businesses to feed film industry production.

EDUCATIONAL ASSETS

All four counties within the District have strong post-secondary educational assets, including Stockton University in Atlantic County, Atlantic Cape Community College in Atlantic and Cape May Counties, Rowan College of South Jersey in Cumberland County, and Salem Community College in Salem County. Beyond the higher education opportunities in the region, each County has a well-attended vocational-technical school district, providing technical and vocational training to both high school students and adults alike. The colleges in the region routinely collaborate with the vocational-technical schools and each other to ensure workforce readiness in trades and other emerging regional industries. In addition, there is a strong foundation of educational opportunities in the District serving to advance the development of underserved populations, with Rowan University's School of Innovation and Entrepreneurship awarding microgrants of up to \$2,500 for entrepreneurs from these communities. Further, the affordability and accessibility of Stockton University and the region's community colleges – particularly considering the latter's conference of Associate's degrees to students while in high school – continue to make the District attractive to families and students alike.

THREATS TO THE SOUTH JERSEY REGION

There are competitive pressures on the region's current industry clusters. Also, environmental issues and how they are dealt with could limit growth potential. Finally, the general lack of industrial diversification makes the region particularly vulnerable to these competitive pressures. Specific threats include:

CHANGING DEMOGRAPHICS

An increasing challenge for the region will be to address the language and cultural barriers to workforce and business development in an increasingly diverse population. An aging population and a decline in immigration both pose potential for labor shortages in key areas of the economy such as the hospitality and agricultural industries.

SEA LEVEL RISE

Sea level rise is a particularly significant threat to the sustainability and resilience of coastal communities, both along the Atlantic Coast and Delaware Bay Shore. The impacts of Superstorm Sandy are still being felt in many locations throughout the region. Shore communities continue to battle beach erosion and flooding from routine high tides and coastal storms. While regulations stemming from the New Jersey Department of Environmental Protection (NJ DEP) present developmental hurdles, the District's unique environment is worthy of protection by virtue of its impact on tourism and associated industries.

AVAILABLE BUT DIMINISHING INDUSTRIAL LAND BASE

The area has available land for industrial development and commercial expansion, but it is limited in the level of infrastructure supporting it and is disappearing rapidly to other types of development and/or regulatory pressure. Throughout the region, the availability of readily developable land for industrial projects is becoming increasingly scarce. While Salem County retains a number of available brownfields and other redevelopable sites, particularly along the Delaware River, the financial costs of redevelopment on these sites is discouraging to many developers. Developable land is quickly disappearing throughout Cumberland and Atlantic Counties, and such land in Cape May County continues to be scarce.

REGIONAL COMPETITION

The gaming industry has suffered significantly from the growth of similar venues in Philadelphia, Connecticut, and elsewhere. The possibility that there could be further expansion of the industry in other states and localities would cause ripple effects throughout the SJEDD region, including the potential closure of several casinos and the concomitant loss of jobs. In addition, there are always threats and competition for jobs and employers from regional markets in Pennsylvania, Delaware, Maryland, and other locations in the Mid-Atlantic region.

GLOBAL MARKETPLACE

As the speed of communication and logistics technology changes, the global marketplace will be an increasing threat to the region's industry.

ONGOING POPULATION LOSS AND HOUSING AFFORDABILITY

Recovering from the COVID-19 pandemic and addressing the other causes of population loss regionally represent threats to the long-term health of the regional economy. Diversifying job opportunities, industry composition, and, considering the sharp, otherwise unexplainable decline in working-age individuals between the 2010 census and 2020, stemming the exodus of working-age individuals to other parts of the State and region are necessary. Insufficient workforce housing, particularly affordable units to accommodate employees in the seasonal industries and those persons who will be needed in the clean energy economy, is a long-term problem that will affect future business growth.

As noted earlier in the CEDS, the cost of housing in the region is increasing. While housing values remain lower than in areas of central and northern New Jersey, the South Jersey Region has industries for which affordable workforce housing is a critical need. These are the hospitality industries in the shore communities and the agricultural operations and related businesses throughout the region. There is a continuing need to also provide housing for the non-seasonal workforce.

WORKFORCE OUTMIGRATION

The daily net outflow of workers in Cumberland and Salem Counties has proven to be an issue during the recovery from the COVID-19 pandemic and will likely complicate matters as some of the larger projects in the region near completion. Strategies to make the region more attractive to workers outside of the area should be explored and will require additional workforce development to secure an adequate source of labor for industries expanding in the region.

THE ONGOING IMPACT OF THE COVID-19 PANDEMIC

Every community in the nation is dealing with the impacts of COVID-19. As indicated in Section Two, however, the significant reliance on tourism and hospitality leaves the South Jersey region particularly vulnerable and points to the need for economic diversification as a key goal for the CEDS.

SUMMARY

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	Lack of Workforce Housing
Clean energy production	
Strong job training and educational partnerships	
Special development designations	
Opportunities	Threats
Repositioning and Industry and Business Innovation	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
Rowan University School of Innovation and Entrepreneurship	Ongoing population loss and housing affordability
	Workforce outmigration
	Ongoing impact of COVID-19 pandemic

Like all regions, Southern New Jersey has strengths and weaknesses. Viewed as a whole, its strengths are considerable. It is a place in the State where large tracts of land remain available for development. It is well-positioned within the greater region and accessible to a wide range of transportation. It provides an excellent 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 weaknesses and threats of the region are also important. They represent conditions that need to be eliminated or mitigated if the region is to prosper. Each of the four counties in the South Jersey region will assume different approaches to building on its strengths and dealing with its weaknesses. Through the collaborations outlined herein, these counties will bring considerable talent and resources to the South Jersey District that will provide a regional approach to economic development.

SECTION FOUR

ENVISIONING POLICIES AND STRATEGIES FOR THE SOUTHERN NEW JERSEY REGION

GOALS

The FY 2020 update to the 2015-2020 CEDS defined goals for the District that foster future growth, development, and redevelopment in the region. These goals form the foundation and justification for the District's policy and program priorities. They include:

1. *EXPANDING REGIONAL MARKETS TO ENHANCE ECONOMIC DIVERSIFICATION.* The CEDS promotes the expansion of markets for existing technology-based industries to ensure their development, retention, and competitiveness. In addition, new industries will be attracted that complement the existing industrial clusters and diversify the region's economic base.
2. *PROMOTING REGIONAL WORKFORCE COOPERATION.* In coordination with county and municipal governments, workforce development boards, trade unions, and industry representatives, additional investments must be targeted that promote the expansion of a technically skilled and qualified workforce that meets the demands of existing industries in the region and those that are being recruited. This means fostering a more integrated approach to workforce readiness, starting at the middle school level and in various higher education venues, including high schools, technical and trade schools, and local colleges. Career tracks aimed at regional employment clusters and emerging industry groups should be created among educational and workforce partners to offer state-of-the-art training for young people and those already in the regional workforce.
3. *FOSTERING REDEVELOPMENT OPPORTUNITIES.* Recognizing that there are redevelopment opportunities in the counties of the region, the CEDS encourages investments that foster downtown and urban revitalization; the redevelopment of brownfield sites; and the development of suitable publicly owned lands in order to ensure compatible development patterns with the region's environmentally sensitive lands.
4. *PROMOTING EDUCATION AND TRAINING.* A goal of the CEDS must be to promote an educational and training infrastructure that supports the existing retail, hospitality, arts, and cultural occupational clusters while providing additional technical training that offers an opportunity for vertical career mobility.
5. *EXPANDING ACCESS TO FINANCIAL RESOURCES.* New sources of funding and delivery systems for financial resources are needed to encourage business expansion and reinvestment.
6. *IMPROVING PUBLIC TRANSPORTATION.* Investments are needed in the transportation network that is required by the growth in tourism, logistics, and other key industries.
7. *ENHANCING QUALITY OF LIFE.* Supplementing the existing attractive quality of life with additional cultural, historical, environmental, and educational opportunities is an important goal.
8. *INCREASING ECONOMIC AND NATURAL RESILIENCY.* Develop a resiliency program to address the effects of both economic and natural disruptions that will assist in the recovery and sustainability of impacted communities within the region.

These goals remain as the guiding principles in support of the District’s mission. However, in presenting the current trends and characteristics of the southern New Jersey region, the findings are, for the most part, troubling ones. The COVID-19 pandemic aside, the region was losing jobs and population. Incomes, education, and workforce training lag behind the rest of the state. Tourism, one of the bright spots in the regional economy, was devastated by COVID-19 but has substantially recovered to pre-pandemic levels. The Atlantic City gaming industry, while recovering from the declines suffered during the Great Recession of 2008 has not reached its previous levels of employment and economic impact. These trends require a focused effort at regional transformation and sustainability that previous versions of the CEDS did not address.

The composition of the region’s economy must be redefined. Also, there must be a coordinated and unified approach at the municipal, county, and regional levels for investing in industry, fostering job development, and promoting the new initiatives that will have the impacts needed to make this transformation.

CRAFTING A REGIONAL VISION

The South Jersey Economic Development District provides the region with a forum through which the policies and strategies for growth and development can occur. This is a great advantage in that other areas do not have a conduit like this through which to work.

Several industry sectors are present or envisioned in the southern New Jersey region that should be the focus of new growth and investment. They are:

- The Tourism Industry
- The Food Processing and Technology Industry
- The Aviation and Aeronautical Industry, and
- The Green Economy including Wind and Clean Energy Industries
- Transportation Logistics and Distribution
- Light Manufacturing (high tech)

These six sectors of the economy have the most potential through which to build a revitalized and more sustainable economy.

The government partners and stakeholders of Southern New Jersey envision a region where there is a collaborative and integrated approach to economic development; where there is a focused effort to coordinate regional initiatives and investments; and where there are additional opportunities to foster new economic investment and a better quality of life for the region’s citizens.

To accomplish this vision, investments to expand traditional industries must be made and new industries should be targeted to locate within existing industrial clusters. This will take a strategic approach at all levels of government and the involvement of many public and private sector partners. This will include roles for the State of New Jersey, the South Jersey Economic Development District, its member counties, and municipalities and will mean coordinating marketing efforts to target these investments within proximity to existing industry hubs and business clusters.

THE TOURISM INDUSTRY

According to the 2019 Tourism Economics Report, “Economic Impact of Tourism in New Jersey”, tourism represented a \$14.7B industry in the four-county region. The great majority of this industry was focused on Atlantic and Cape May Counties. Tourism activity centers primarily on seasonal spending in shore towns and communities and the year-round impacts of the gaming industry. These are pre-pandemic numbers, however.

The 2020 Tourism Economics Report illustrates the significant impact that the COVID-19 pandemic has had on tourism statewide and in the region. Across all counties in New Jersey, the tourism economy declined by 37% from 2019 to 2020. In the four-county region, the tourism economy fell from the 2019 figure to \$10.7B, a decline of 25%. While not as dramatic a drop as the statewide figure, this decline posed a tremendous challenge for the shore communities and other tourism sites around the region.

Early 2021 numbers indicate a strong resurgence of the hospitality industry throughout New Jersey. While the COVID-19 pandemic had a tremendous impact on the industry, the summer of 2021 proved that travelers were willing to return to the shore at close to pre-pandemic numbers.

The CEDS and the South Jersey Economic Development District need to propose ways to expand this industry and enhance its resilience and sustainability by creating new venues for tourism and fostering a more regional approach to tourism development and marketing. This could include initiatives to:

1. *Invest More Heavily in Ecotourism.* The South Jersey region is rich in ecotourism. Its Delaware Bayshore, birding, oystering, and shipbuilding heritage offer many opportunities to encourage greater visitation. There are not many locations, however, that provide formal organized interpretive experiences.
2. *Create Venues for eSports.* According to numerous Wall Street and investment analysts, including *The Economist*, eSports are exploding in popularity. In 2018, E-Sports viewership grew 13.8% to 380 million people worldwide. E-Sports analyst *Newzoo* expects this number to reach 557 million in 2021.² With the presence of the region’s gaming industry, eSports would offer venues that could be folded into existing convention and gaming facilities or the opportunity to create new ones.
3. *Ensure Infrastructure Maintenance and Investment.* Maintaining the tourism industry in the region involves ensuring that the infrastructure that is at the heart of this industry is protected. Boardwalks require large investments in annual and long-term maintenance. Shore communities require beach replenishment on a regular basis. Highway signage, visitor information, and other infrastructure are critical to fostering the expansion of the industry.
4. *Expand Opportunities for Wine, Beer, Distillery, and Eco- and Agricultural Tourism.* The growing popularity of craft beer, wineries, distilleries, and unique eco- and agricultural experiences also provide ways for the region to expand its tourism appeal. There are many new wineries, breweries, distilleries, and existing historic and cultural venues, as well as expanding

² <https://www.fool.com/investing/2019/07/29/the-rise-of-esports-a-gamers-perspective.aspx#:~:text=While%20you%20may%20have%20never%20seen%20a%20game,this%20number%20to%20reach%20557%20million%20in%202021.>

opportunities for eco- and agritourism in the area that could be expanded and marketed to provide a unique regional draw.

5. *Create Regional Tour Itineraries and Expand Marketing.* For tourism and marketing purposes, the State of New Jersey has divided the South Jersey region into three separate tourism councils. The Southern Shore region encompasses Cape May and Cumberland Counties. The Greater Atlantic City region includes all of Atlantic County, and the Delaware River region includes Salem County and other counties to the north. There is no single organization through which the entire, four-county region can be promoted and marketed.
6. *Leverage Traditional Tourism to Expand Eco- and Agritourism.* While the need for tourism diversification is well-established, it remains important to recognize, develop, and retain the region's natural and traditional sources of tourism – the region's shoreline, boardwalks, and entertainment venues – in order to develop these alternative and emerging sources of tourism. The opportunities for diversification should be expanded with an eye toward leveraging the existing opportunities for tourism.

AGRICULTURE, FOOD PROCESSING, AND TECHNOLOGY

The South Jersey region has a tremendous asset in the Rutgers Food Innovation Center, located in Bridgeton. This facility has served over 1,500 clients since its inception in 2001 and has graduated more than 100 new food businesses. Many of these businesses, however, have left the region since there are few locations for them to locate where they have the services and support needed to take their business to the next level. The Cumberland County Improvement Authority addressed this issue with the construction of the region's first Food Specialization Center, which opened in June of 2021. This facility can be a model for expanding opportunities for new food industries or for recruiting existing businesses.

1. *Provide New Refrigerated Warehousing and Flex Space.* Food processing, food logistics, and warehousing space are important aspects of the food industry in all four counties. Creating space for small businesses that graduate from the Rutgers Food Innovation Center or for those firms seeking to move to the region is a critical aspect of industry expansion and development.
2. *Develop New Food Technologies.* This can include research and development activities, given the region's long-standing history of agriculture. It can also involve new processing, packaging, and distribution techniques as well as consumable product development.
3. *Foster Region as Targeted Industry Cluster.* Bridgeton received an NJ EDA grant to create a food-industry hub in the Cumberland County area. That study can serve as a guide for investments in other areas of the region where a nucleus of a food industry exists.
4. *Highlight Oystering and Seafood Distribution.* The oyster industry and other traditional seafood industries are an important part of the region's historic economic and cultural heritage. Refrigerated warehousing to enhance the distribution of raw seafood or to promote the processing and distribution of seafood products could aid in expanding the industry. Also, exhibition or interpretive facilities that might accompany venues such as the Bayshore Discovery Center and emphasize the fisheries and seafood industries throughout the District would help to highlight this industry locally and regionally.

5. *Explore Opportunities in the Newly Legalized Cannabis Industry.* Southern New Jersey is the heart of the State’s agricultural economy. Cannabis is a newly legal crop that will create new indoor farming opportunities, medical research facilities, and retail outlets. These opportunities present many potential venues for jobs and new investment in one of the region’s emerging industries.

THE AVIATION AND AERONAUTICAL INDUSTRY

The region has airport facilities, particularly in Cape May (Lower Township) and Millville, where airports serve as centerpieces for industrial and technological development. Atlantic County has created a new Aviation Hub, is proposing an Aviation Training & Maintenance Academy, and is the home county for the region’s only commercial facility at Atlantic City International Airport.

1. *Drone Testing and Repair.* Cape May County is the focal point of this industry and investments in technology. The Cape May Airport and Woodbine Airport are locations where testing and research can now occur. As this industry grows and as large logistics companies such as Amazon initiate drone delivery services, this is an industry that can expand to multiple locations in the region.
2. *Aviation Industry Cluster.* With Atlantic City International Airport (ACY) as the hub for commercial aviation, training, repair, and maintenance of aircraft in and around that hub can provide the catalyst to grow this industry and promote new activity at the airport. ACY is also actively exploring the addition of freight transport to its cadre of services, and provides for new workforce training, as indicated by Atlantic County’s interest in an Aviation Academy. At the nearby National Aviation Research and Technology Park, a division of Stockton University at the William J. Hughes Technical Center, over 4,500 aviation professionals facilitate advanced aviation research for the Federal Aviation Administration, the Department of Defense, the Department of Justice, the Department of Homeland Security, and ACY. In addition, the Cape May Airport and Millville are equipped to handle jet traffic. Currently available for emergency landings, this capability may also lead to future development.
3. *Regional Freight Distribution and Foreign Trade.* As the logistics industry is transformed and as new concepts for the delivery of goods and services emerge, there is also an opportunity for the region to serve as a secondary hub for the larger distribution network. The Millville Airport has the runway capacity to handle large, jet aircraft that might provide logistical support for a larger distribution network.
4. *Synergistic Coordination with the Offshore Wind Industry.* The offshore wind industry and the aviation/aeronautic industry share many of the same component needs and maintenance and repair services. Identifying these services and component manufacturers can help to build a base of support in the region for this expanding industry.

At the Millville Airport, the owner and operator of the facility, the Delaware River and Bay Authority (DRBA) has plans to invest \$3.3 million in a 15,000-square foot light industrial building at the airport, and, recognizing the increasing demand for hangar space, has plans to upgrade airport aprons. In addition, Jet East, a division of Gamma Aviation, plans to possibly add a hangar in the future. However, workforce deficiencies suggest that a collaboration with the aviation academy at ACY may benefit these projects.

The Oldmans Township Airport, a small airfield in the Pedricktown section of the Township, has recently received funds to upgrade the runway lighting. With its proximity to the new Wind Port, this airfield will become increasingly important to the growth of the wind industry in South Jersey. Woodbine Municipal and Hammonton Airports have potential for service industry opportunities.

Currently, Atlantic City International Airport has no air cargo transport; however, the relocation of a bird sanctuary has opened up 400 acres at the northwest corner of the airport to accommodate air cargo and other air freight facilities. While there is currently a lack of sewer and other utilities at the site, a number of potential tenants have expressed interest in the plan, and the South Jersey Transportation Authority has issued an RFP to attract interested developers.

Considering these advancements alongside the continued success of the Cape May Airport, the aeronautics and aviation industries continue to grow in the South Jersey region. As such, the necessity to collaborate and coordinate these industries and their attendant businesses, skill development needs, resource allocation, technological innovations, available capital, and other resources will become a priority. Further, the airspace above our heads will become increasingly crowded and it may become necessary for local and county governments to coordinate with the FAA to deconflict the airspace to define operational parameters. This will require a region-wide collaboration and coordination.

THE GREEN ECONOMY, CLEAN ENERGY, AND OFFSHORE WIND

The supplier industry is a central part of the offshore value chain. Suppliers include, in particular, companies from industry sectors such as steelwork and mechanical and electrical engineering. Important supplier companies within the offshore sector include manufacturers of large components such as transmission units, foundation structures, and towers as well as parts and components for powertrains, rotor blades, and cables.

According to the GWEC's Global Wind Report 2020, GWEC estimates that 17.3 direct jobs (defined as one year of full-time employment for one person) are created per megawatts (MW) of generation capacity over the 25-year lifetime of an offshore wind project.³

1. *Support Investment and Development of New Jersey Wind Port.* The proposed New Jersey Wind Port in Lower Alloways Creek, Salem County, is a huge, \$400M facility currently under construction. Buildout is estimated to occur by 2026. The facility will bring 1,500 new jobs to the region and an estimated \$500M annually to the economy.
2. *Target Supply Chain Investment.* Suppliers to this industry range from small parts vendors to the larger manufacturers previously referenced. An inventory of such businesses will provide the region with a vehicle through which new investment can be targeted to serve this industry.
3. *Ensure Intermodal Opportunity.* Intermodal transportation will be an important aspect of the logistical services needed to support the wind and clean energy industry in the region. Transfer facilities from port to rail and rail to truck will be needed as part of the logistics services sector.
4. *Promote Workforce Training.* Obviously, as the Wind Port is constructed, training for the estimated 1,500 new jobs will be an important component of the industry's growth. Colleges in the area, technical schools, and workforce development boards should be mobilized to

³ <https://www.aa.com.tr/en/energy/investments/offshore-wind-sector-to-create-nearly-1m-jobs-in-5-years/30220>

coordinate training for the industry and its supportive businesses. The region's schools, colleges, and workforce training organizations need to revisit the alignment of career tracks with emerging industries, the demands for skilled labor, and the levels of technology training needed to sustain and grow the economy.

The following section of the CEDS provides the Action Agenda necessary to advance the vision and goals of the District over the coming five years. The Action Agenda is a very exacting set of tasks for the District as well as its regional partners.

Each of the counties has identified specific initiatives that it wishes to achieve within the coming five-year life of the CEDS, 2020-2025, as amended in 2022. The District staff has also identified ways that it can help achieve those initiatives. In addition, other partners needed to lead and implement the Action Agenda along with funding sources and other resources are identified.

SECTION FIVE

IMPLEMENTATION, RESILIENCE, AND EVALUATION STRATEGIES:

THE PATH FORWARD

INTRODUCTION

The COVID-19 pandemic of 2020-2022 has precipitated challenges for the South Jersey region that have never before been seen. The tourism economy, which was significantly hobbled along with other industries, is now recovering. Unemployment in some areas surged above 30%, but has declined significantly since the peak of the pandemic. The long-term impacts on real estate – including the second home market in the shore communities as well as rental and homeownership markets region-wide – will have consequences yet to be measured.

This vulnerability on top of the trends in the region’s economy indicated by the SWOT and the previous sections of the CEDS point to the importance of the SJEDD as a partner in the region’s growth and development. The 2022-2027 CEDS brings new ideas and new initiatives for the South Jersey Region. The COVID-19 pandemic has spurred innovation. (For example, Cumberland Dairy converted from milk production to producing sanitizer. A sheet metal company went from no work for sheet metal to converting machines to cut and process plexiglass for PCE shields.) How the region capitalizes on that kind of thinking can move economic development leaders and businesses beyond simply seeking new factories to exploring transitional innovation that can be adapted to the existing skill level of the workforce.

This section of the CEDS focuses on three areas of implementation. First, an Action Agenda is presented which outlines a summary of initiatives including actions that the four counties and the District have identified as priorities that can help advance resiliency and sustain the economy of the region. The second implementation area includes an evaluation framework that is also established to measure changes over time and provide an early warning “Dashboard” to signal economic downturns. Finally, in concert with U.S. EDA guidelines, there are resiliency strategies provided that will broaden and diversify the economy so it is not as susceptible to long-term recessionary trends.

1. THE ACTION AGENDA

The Action Agenda is broken into three subsections. The first focuses on Near Term Actions. These are actions that the District and its partners will undertake in the first two years (2022-2023) of the CEDS. Mid-Term Actions are those that are slated to occur within the 2024-2026 timeframe. Long-Term Actions are those that may be initiated but that will transcend the 2027 life of the CEDS.

1A. NEAR-TERM INITIATIVES AND PRIORITIES

Advance Project Development

It is the goal of the District to work with its counties and municipalities to develop and advance a minimum of one (1) new investment project per quarter to the U.S. EDA for funding. Ideally, this process will ensure that each member county has an opportunity to advance ready projects.

The counties have identified the following initiatives and priorities as areas in which they envision specific projects being developed. Project examples are provided in some instances.

County Initiatives and Priorities for Near-Term Action

Atlantic County

Implement Airport Capital Plan

Execute an Atlantic City International Airport Capital Plan to Include Infrastructure/Air Cargo Improvements at Atlantic City Airport (ACY).

- a. Build air cargo infrastructure at ACY to attract distribution and eCommerce to Atlantic County, creating hundreds of new permanent jobs in southern New Jersey. Build new jetways and tarmac to support an air cargo facility. Estimated cost of \$30 million. Build cold storage warehouses. Estimated cost of \$20 million each. Total cost is \$50 million assuming one cold storage warehouse.
- b. Construct state-of-the-art hangars at ACY. Two hangars subsidized at \$10 million each for a total of \$20 million.
- c. Build a Rail Station in Pomona to support ACY. A rail station will attract more business, jobs, cargo traffic, and commercial air traffic to ACY. Estimated cost of \$5 million.
- d. Aviation Maintenance and Technical Training Academy to train in aviation repair and overhaul. The Academy will be located at the airport ACY. Estimated cost of the training facility and buildout is \$14 million.

Promote Ongoing Investment in Aerospace and Avionics.

Efforts to continue investment in the expansion and growth of the Atlantic City International Airport and the diversification of the aviation industry should continue. This will include air cargo, drone testing and technology, aviation and aeronautics training and the recruitment of businesses that support this increasingly important industrial hub.

Expand National Aerospace Research and Technology Park

National Aerospace Research & Technology Park subsidy for the second building is estimated at \$3 to \$7 million. The remaining construction costs will be picked up by private sector developers at \$20 to \$25 million. The NARTP campus is located on the Federal Aviation Administration, FAA, Campus. Deloitte Consulting recently contracted with the National Aerospace Research and Technology Park to develop a strategy to advance air research in advanced air mobility, an emergent technology in which aircraft use battery power to hover, take off, and land vertically.

Advance the Life Sciences Industry

Life sciences is a diverse field which includes biology, medicine and agriculture. Within those disciplines are many professions requiring very technical and specialized training. Working with the healthcare industry, the farming community, and other stakeholders to define labor force needs, educational programs and funding support will be essential in laying the groundwork to attract new investment in the life sciences industry.

Continue to Support the Growth and Diversification of the County's Tourism Industry.

This is one of the key goals outlined in the County's Economic Development Plan. Aiding in the funding for infrastructure that supports this industry such as beach restoration, boardwalk improvements, transportation and access to large tourism venues will be important. Marketing the County for the range of attractions present in the County can help to expand patronage that will lead to investments in a more diverse tourism economy.

Expand Access to Health Care and the Development of New Health Services.

Working with the small business community and the County's major health care providers new health care practices, urgent care centers, geriatric facilities, wellness centers, and specialized treatment centers can help to offer a range of new services for residents of the County. Advancing training and education to expand the numbers of qualified health care providers will be essential in attracting new investment.

Atlantic County Institute of Technology Expansion

The ACIT is applying for a \$40 million grant through the New Jersey Department of Education to construct a new \$53.5 million building at its Mays Landing Campus. This new space will provide over 400 additional students with the opportunity to participate in career and technical programs in high-demand areas such as Health Sciences, Aviation Maintenance, Welding and Manufacturing, and Culinary which are aligned with the County's Economic Development Plan. Additional programs in Transportation and Building Trades will also be created as a result of this new facility.

Cape May County

Work to Diversify the Local Economy to Expand Opportunities beyond Tourism

The County will continue to work with its partners in the public and private sectors to identify opportunities to diversify the County's economy and to facilitate the creation of year-round, well-paying jobs. Of particular interest is the recruitment of technology companies to the Cape May Airport Tech Village. These businesses will be inclusive of research and development firms, component manufacturers, and aviation-related businesses independent of seasonality.

Promote Infrastructure Investment and Marketing, Particularly to Advance Broadband Access

The County also seeks to maintain the high quality of life enjoyed by County residents and visitors through the facilitation of municipal redevelopment initiatives, provision of a sound infrastructure system including broadband, and the development of a diverse system of high-quality public spaces. Through a cooperative marketing campaign, we will encourage businesses to take part of the "Coastal Shift", encouraging businesses and families to settle in the County year-round and to become invested in our local communities. Cape May County officials have indicated that this trend is currently underway.

Encourage Expansion of Eco- and Agri-Tourism Business Opportunities

The County will provide assistance through research and marketing to expand nature-based and agri-tourism activities that include wineries, distilleries, and breweries, as well as farm-to-table restaurants and the oyster/clam aquaculture and traditional fishery industries. Nature-based or eco-activities generate approximately 11% of the total tourism expenditures and rank in the top three activities of visitors and residents and add to the quality of life in the county. Eco- and Agri-tourism are huge elements of the appeal for those looking to relocate as part of the "Coastal Shift".

Encourage Research and Development of Smart Hospitality Technology

The County will work with the hospitality industry to encourage the research and development of smart hospitality technologies. Essential to the visitor experience in the 21st century, such technologies include smartphone room access, check-in/check-out, scheduling room cleaning times, room service ordering, and a host of other potential uses, all accessed through an app on the visitor's smartphone.

Find Creative Solutions that Provide for a Variety of Housing Types

As housing within the shore communities becomes more expensive and as more people settle in these communities year-round, there are fewer housing options for seasonal workers and low- and moderate-income residents. The County will work with its municipalities to provide land use and regulatory modifications to allow for a wider range of housing options.

Cumberland County

Expand Existing Food Cluster

With the presence of the Rutgers Food Innovation Center, the new CCIA (Cumberland County Improvement Authority) Food Specialization Center, and Bridgeton's Smart Food Manufacturing Center, Cumberland County has become a regional hub for food manufacturing and processing. The presence of food companies in the County leads to the potential to develop shared kitchen facilities, caterers, and small food processors in downtowns and other retail locations.

In addition, the recent surge in interest in plant-based foods, including plant-based proteins and cultivated meats, is spurring an increase in angel investment and the associated firms. For example, a current plant-based food tenant of the Food Innovation Center is seeking to add an additional 10,000 square feet to its existing footprint. The opportunity for a fully integrated agri-economy, with further opportunities for vertical integration, value-added processes, and technical innovation is present within the region. New funding and other resources to expand this industry are a key near-term priority.

Promote Clean Energy Jobs

The CCIA has invested in a new clean energy microgrid to provide power to its landfill operation. With the prospect of a large wind farm, solar investments, and other blue energy and green energy facilities in the region, recruiting new companies that manufacture or distribute clean energy products will be a high priority.

Invest in and Provide Competitive Economic Infrastructure

This includes promoting public water and sewer service, affordable broadband service, and the electrical infrastructure needed to support new and diverse industries. This is important not only in the growth and development of the County's industrial parks but also in the redevelopment opportunities that exist within the County's urban centers.

Invest in Targeted Neighborhood Downtown and Community Revitalization

Initiating plans and strategies that encourage investment in downtown revitalization and neighborhood redevelopment is important. By creating new opportunities for small business, recreation, community centers and other amenities downtowns and neighborhoods become more attractive places to live and work.

Identify Areas of the County as Innovation Hubs

By providing training and education that encourages innovation in small businesses and industry, the County can foster and innovation culture that can help to attract new technology and opportunities for diversification and innovation in existing industry. The Route 55 Corridor could be designated an Innovation Hub since it provides access to many of the County's larger industrial and business hubs.

Promote Measurable Investments in New Business, Redevelopment and Recovery

Tracking new investment, the numbers of new businesses, the growth of employment, land use changes and other metrics can be used to market successes, promote economic resilience and demonstrate the County's progress and attractiveness for new investment.

Create Stronger Workforce Development Partnerships

The technical skills of the workforce continue to lag behind other areas of the State. The County will work with the Cumberland-Salem-Cape May Workforce Development Board to identify opportunities for business apprenticeships and internships for students; align training opportunities in the trades industries; and advance smart manufacturing curricula.

Expand Industrial Parks and Invest in Brownfield Redevelopment

Investing in the County's industrial parks, particularly including the proposed Vineland Industrial Park West, available land at Millville Airport, and in the Florida Avenue Park in Bridgeton will be a priority. This will include infrastructure improvements and new industrial development. Redeveloping brownfield properties and reusing vacant industrial space will also be a near-term initiative.

Salem County

Encourage Investment in Spin off and Supportive Industries that Complement Wind Port Development

As noted previously, this project is one with huge transformational impacts not only for Salem County but for the entire region. The County and the South Jersey District need to be at the forefront of a lobbying effort to ensure that this project remains on track. A coordinated effort to engage elected officials, industry leaders, investors, grant funding, and other resources to advance the development and support of spin-off industries and businesses should be a focus of these efforts.

Support Initiatives to Help Fund Dredging and the Revitalization of the Salem Port

The County and District should work with the South Jersey Port Corporation to identify prospective funding sources that would facilitate dredging of the Salem River to allow new investment to occur at the Port of Salem. Dredging of the Salem River is also a critical component of the Port's viability and sustainability.

Work to Recruit New Business and Industry

County officials would like to see new manufacturing facilities as opposed to but not exclusive of warehousing. Ensuring a greater diversification of business and industry that is compatible with the County's rural nature is important in striking the right balance between new development and the desired quality of life.

Revitalize Downtown Business Districts

Targeted investments in some of the County's older industrial sites is important to the revitalization of these communities. These would include sites in Salem City, Penns Grove, Carney's Point, and Pennsville. U.S. EDA, USDA or other funding to facilitate these investments can accompany project identification.

Develop Ways to Support Small Business and Promote Business Retention

Create funding opportunities, training and educational forums, and outreach efforts to help small businesses secure the resources they need to expand and to remain viable partners in the community.

Help to promote participation in chambers of commerce and regional forums that provide exposure and marketing opportunities.

Enhance the County’s Marketing Efforts

Explore new ways to promote the County and its business investment opportunities. This can be accomplished through greater collaboration with municipal, regional, and State partnerships to target investment in those areas where support for revitalization of old industrial corridors and new commercial sites are available.

Secure Funding and Financial Support for the County’s Businesses and Industry

The County should work through its new Office of Economic Development to identify services and funding opportunities with NJEDA, US EDA, USDA Rural Development and other venues that provide support for businesses interested in expanding or locating in the County.

Continue to Invest in the Implementation of the Salem County Economic Development Strategy

The County is working on implementing a new economic development strategy and has created an office of economic development, located within County government. The plan was completed in 2021. A Director was hired and is implementing the Plan.

Regional and Intercounty Initiatives and Near-Term Priorities

Create and Maintain an Inventory of Existing Industrial Sites

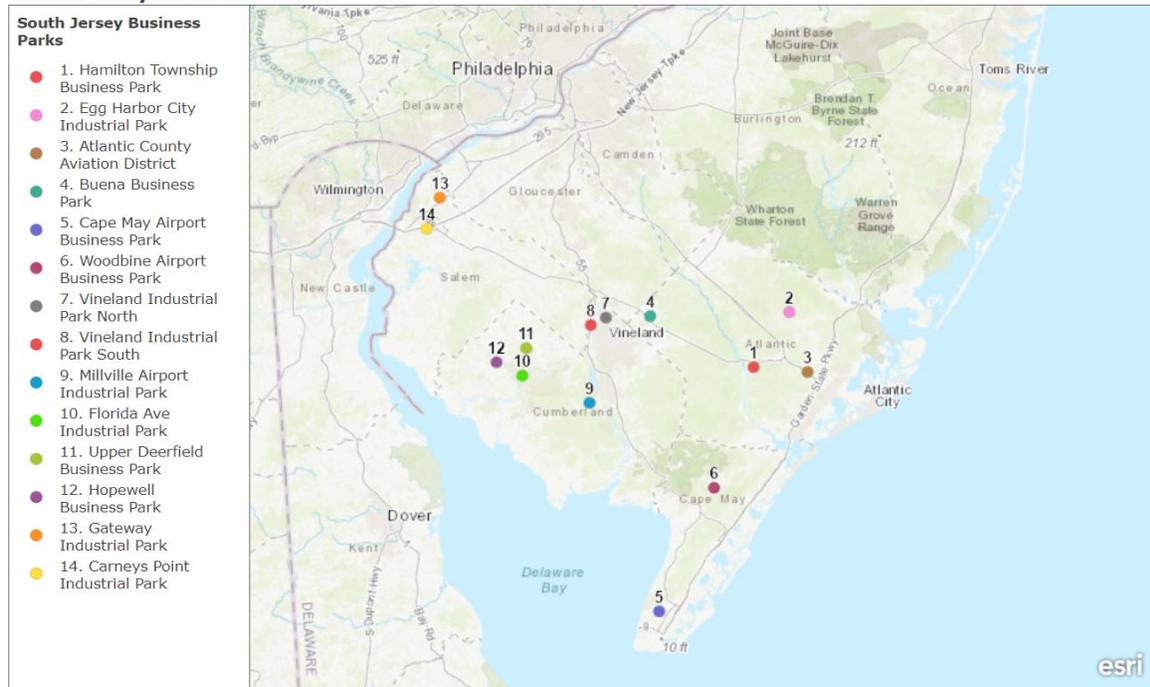
The South Jersey region has multiple sites currently available for new industrial and business development. This includes areas in some of the older cities and towns where redevelopment is a very viable option. The map on the following page illustrates the locations which are listed in the following inventory.

While there has been growth in warehousing and other aspects of the logistics industry, the creation of manufacturing is sorely needed. Warehousing and distribution typically provide a limited number of jobs and skillsets. Both the regional leadership and its municipal and county partners need to market the area for manufacturing and other industries that focus on assembly and production.

Table 28
Business and Industrial Parks

ATLANTIC COUNTY	CUMBERLAND COUNTY
Hamilton Township Business Park, Mays Landing	Vineland Industrial Parks, Vineland
Egg Harbor City Industrial Park, Egg Harbor	Airport Industrial Park, Millville
Atlantic County Aviation District, Egg Harbor Twp.	Florida Avenue Industrial Park, Bridgeton
Buena Business Park, Buena Borough	Upper Deerfield Business Park, Upper Deerfield
	Hopewell Business Park, Hopewell
CAPE MAY COUNTY	SALEM COUNTY
Cape May Airport, Lower Township	Gateway Industrial Park, Oldmans Township
Airport Business Park, Woodbine	Carneys Point Industrial Park, Carneys Point
	Pennsville Industrial Park

South Jersey Industrial Parks



In addition, the region needs industries and businesses that will build on its traditional manufacturing and employment base, as well as continue to diversify the regional economy. This will include supporting actions that:

- Increase the number of industrial and business parks and expand existing facilities;
- Enhance telecommunications and broadband service;
- Invest in the tourism economy and the hospitality industries;
- Promote workforce development, particularly in the trades and other underrepresented sectors of the labor force;
- Mitigate the effects of climate change, including investments in shore protection, clean energy and related infrastructure;
- Encourage the redevelopment and repurposing of brownfield sites and structures;
- Expand and improve transportation, logistics and distribution facilities;
- Invest in agri-technologies, food processing and aquaculture.
- To encourage initiatives such as these, a number of recommendations are made that can help lay a foundation for new investments.

Advance One New Project per Quarter to the US EDA for Funding

As the regional conduit for U.S. EDA funded projects, the District office will work with the four counties to identify and fund projects that promote economic development, diversification, and new investment in public infrastructure that supports the expansion of the regional economy.

Facilitate a Regional Infrastructure Needs Study

Work with member counties and other partners to identify broadband and related infrastructure priorities. There are locations where there is inadequate infrastructure including sewer, water,

broadband service – particularly 5G service – and other improvements needed to attract the level of business and industry that can transform the region’s economy. Funds to support new investment can be provided by a U.S.D.A. Rural Business Development Grant; a U.S. EDA Technical Assistance Grant; FEMA Building Resilient Infrastructure and Communities Grant; a number of initiatives offered through the recently adopted federal infrastructure legislation and other sources of funding. In addition, large companies such as SpaceX are expanding the opportunity for internet service delivery in many of the more rural areas of the region. Counties and the SJEDD need to engage with these companies to ensure that a dialogue is initiated with as many potential providers as possible. U.S. HUD’s “ConnectHome” Program also provides opportunities to link broadband to underserved areas and individuals.

Identify Funding Sources for a Workforce Housing Study of the Four-County Region

With housing prices on the rise and the availability of affordable workforce housing becoming more limited particularly in the shore communities, a workforce housing study that develops recommendations for increasing the diversity of housing in the region would help to provide greater housing options for counties and municipalities.

Work with the Region’s Stakeholders to Implement New Workforce Housing Opportunities

As housing costs throughout the region continue to climb, the dearth of both seasonal and year-round workforce housing is an issue. This issue is at its most acute during the summer travel season, when J-1 seasonal workers travel to the region to augment the local workforce. Furthermore, as the burgeoning industries such as wind and cannabis begin to flourish, the need for workforce housing will become intense.

The District will work to secure funding to study workforce housing needs in these and other industries region-wide. The study will assess both the locations for such housing as well as the type of housing that might be best suited to the local industries. For example, single occupancy housing units and Accessory Dwelling Units (ADU) might accommodate many people in the hospitality industry. Efficiency apartments for couples or single parent families might be suitable elsewhere. Funding for such an initiative might come from the USDA, HUD, or other State or Regional agency. The District will make such a study a priority of the CEDS and will collaborate with its regional partners to advance this initiative as soon as possible.

Transient labor is also an important aspect of the agricultural, landscaping, and nursery industries in the region. Providing affordable housing for workers in this industry is important, particularly in some of the region’s small urban communities where the numbers of residents in available housing is outstripping local codes and ordinances. Exploring ways to invest in ancillary units, convert unused second or third stories of existing structures to accommodate affordable workforce housing will also be an important aim of the study effort.

Address Food Deserts

The NJ Economic Development Authority recently identified nine generalized food desert regions in the four counties. With the newly passed Food Desert Relief Act, assistance is available in the form of tax credits, loans, grant, and technical assistance to expand access to nutritious foods and develop new ways to alleviate the burden of food deserts and lure supermarkets to open in the regions identified below.

Table 29
Food Deserts in the Four-County Region

ATLANTIC COUNTY	CUMBERLAND COUNTY
Atlantic City*/Ventnor	Bridgeton/Fairfield Twp./Lawrence Twp.*
Pleasantville/Absecon	Millville/Commercial Twp.*
Egg Harbor City*	Vineland City
CAPE MAY COUNTY	SALEM COUNTY
Woodbine Borough*	Salem City*
	Penns Grove/Carneys Point

Source: NJEDA *Denotes entire municipality considered to be a food desert

Promote a Green Economy and Clean Energy Business Environment

The construction of the New Jersey Wind Port in Lower Alloway Creek Township is a project that will have transformational impacts on the economy of the South Jersey region. State commitments to this project must be honored. The ongoing construction of the Wind Port is a key priority. The construction of the Ørsted Operations and Maintenance Center in Atlantic City, and similar centers as the industry expands are also key. The WIND Institute will focus on research and development and training for this new industry. It will also be important to begin identifying those businesses and industries needed throughout the logistics chain to support the wind industry.

Collaborate with the South Jersey Transportation Planning Organization and the Region’s Stakeholders on Highway and Transit Projects

Successful Economic Development Requires Good Transportation Infrastructure. The SJTPO facilitates funding for many highway and transit projects in the region. Coordinating these project priorities with the region’s economic development goals and targeted development and redevelopment sites is important.

Market Opportunities for Rail, Port, and Industrial Park Investment in the Region

The District office should consider creating a website that promotes the location and development opportunities along the region’s rail corridors, at the Port of Salem, and at the many industrial parks and commercial centers in the four counties.

Continue to Support Investment in a Statewide Air Cargo Master Plan

Considering the Atlantic City International Airport’s plans to expand into air cargo services, the SJEDD should continue to support the effort to develop an Air Cargo Master Plan.

Promote Collaboration for Workforce Development

As workers age out of the labor force, skilled labor is becoming increasingly scarce in the South Jersey region. At the same time, industries such as aeronautics, aviation, food processing, wind energy production, and other businesses requiring skilled labor are becoming more prevalent: the need to promote education in these skills is quickly becoming a priority. The Cumberland-Salem-Cape May Workforce Development Board and the Atlantic County Workforce Development Board would be wise to collaborate to devise a plan to develop these skills throughout the region with an eye toward creating a regional training facility.

Identify Funding for Boardwalk Maintenance, Tourism Development, and Shore-Related Infrastructure
Boardwalk, beach restoration, and FEMA investments in storm management are all examples of infrastructure projects critical to sustaining the South Jersey Tourism Economy. The Atlantic City and Wildwood Boardwalks are currently projects for which funding is being sought. The District needs to advance funding applications that support the needs of its shore counties and communities.

Create a South Jersey District Data Dashboard

The U.S. EDA suggests establishing a Data Dashboard, which is a webpage for tracking data that can provide an annual trendline of information that suggests changes in the regional economy. This can include population change, unemployment rates, regional income levels, new corporate investment, and other data or economically impactful regional news.

1B. REGIONAL MID-TERM ACTIONS AND PRIORITIES (YEARS 3-5)

Advance Project Development

Continue to work with SJEDD partners on projects that would represent the Phase II or Years 3-5 inventory of priorities that the four South Jersey Counties want to include in the CEDS.

Secure Grant Funding to Invest in Infrastructure Needs

Based on the Infrastructure Needs Assessment that will be completed in Years 1-2 of the District's Implementation Agenda, the priority investments targeted by the District Board should be the focus of grant applications to U.S. EDA, U.S.D.A., and other State and Federal Agencies that will invest in infrastructure priorities in targeted areas of the region.

Foster Ecotourism and Cultural Tourism Partnerships

For years, there has been discussion in multiple parts of the South Jersey region about several facilities that could broaden the market for tourism and could complement the region's historical and cultural resource base. These include:

- A Museum Dedicated to the History of Oystering in South Jersey
- Coordinate the three DMOs in the region to create A South Jersey Visitor's Center
- An Ecotourism Facility

The District should undertake a study to develop conceptual plans for such facilities including potential locations. Partners in the non-profit, conservation, and government sectors should be engaged that would assist in developing and operating these facilities.

Advocate for Enhanced Federal Funding for the Region

The South Jersey District can play an important role as an advocate for enhancing Federal funding to the region from various U.S. Government agencies and departments including the EDA, the USDA, the USDOT, and others. Atlantic County, in particular, has offered suggestions for targeting such funds. (see endnote.)

1C. REGIONAL LONG-TERM ACTIONS AND PRIORITIES (BEYOND THE 2027 LIFE OF THE CEDS)

Broadband Investment

One of the most critical infrastructure needs facing Southern New Jersey is the installation of affordable broadband and high-speed internet access in all parts of the region. Many areas of the region, both rural and urban, are still without any access to this service, and, additionally, residents find themselves with

access beyond their ability to pay. Obviously, this is an essential need in attracting state-of-the-art technology firms and other employers who rely on a high level of data storage and connectivity. While service cannot be extended immediately in all areas, the District in coordination with County and State government should identify funding possibilities for the extension of this infrastructure that will provide the catalyst for broadband providers to extend service.

Ecotourism and Cultural Facility Development

There are numerous possibilities to advance ecotourism in the South Jersey region. The Ecotourism Study suggested as a Near Term project should explore the need for new facilities and services as well as augment the existing natural, cultural, and historic properties that already exist region wide. Funding and construction of these new facilities need to be a long-term goal of the region.

Sea-Level Rise Infrastructure Study

Many areas along the Atlantic Coast and Delaware Bay shore will be affected by sea-level rise and climate change. A study to identify the most vulnerable areas and prepare an action agenda to protect against storm surge and sea-level rise is being completed by the US Army Corps of Engineers and should be supported by the District.

Logistics and Transportation Investments

There are many projects and investments region-wide related to enhancing the logistics and transportation industries. These include the redevelopment of the Port of Salem; maintaining rail infrastructure and expanding service; providing cold storage space and related facilities for the food industry, enhancing highway access to shore communities; expanding airports aviation technology and aeronautic facilities.

The South Jersey Economic Development District will work closely with member counties, municipalities, and the South Jersey Transportation Planning Organization (SJTPO) to support Federal and State grant funding that targets maintenance and improvements to Route 55, the Atlantic City Expressway, the Garden State Parkway, and the other major state and federal roadways in the region. This assistance will include support for funding and participation at SJTPO meetings to advance key highway plans and investments. The SJTPO is well-equipped to provide support for transportation funding proposals.

New Jersey Transit is the principal provider of passenger transit in the region. Whether it is NJT bus service, or the limited rail service along the Atlantic City Rail Line, these services are essential to meeting the transit needs of many of the region's residents. In addition, the long-term extension of the PATCO system south from Camden to Vineland and Millville will also be an investment in the future of the region. The Atlantic City International Airport provides passenger service with connections both nationally and overseas. The coordination of various rail, bus and roadway connections to the passenger transit network is critical. Working with the SJTPO, NJT, and the New Jersey Department of Transportation, the District will support planning and funding initiatives that advance this transit network.

There are rail and freight corridors that are critical to the long-term economy of the southern New Jersey Region. These corridors include port facilities, active rail lines, airports and industrial parks. Maintaining and expanding transportation opportunities at these locations is a key goal of the CEDS.

Rail Freight Investments

The SJEDD can play an important role in securing funding and supporting the development of rail infrastructure in key locations around the region. These locations include but are not limited to the Conrail shared assets system and related short line railroads serving Cumberland and Salem counties; the rail corridor along the Delaware River serving the industrial centers of Carney's Point, Penns Grove and Deepwater. The SJEDD can assist through funding assistance from the New Jersey State Rail Program and various Federal funding sources. Technical assistance to ensure that regional rail freight projects get included in the State Rail Plan and in other planning documents is also a priority.

Port

The Port of Salem is being redeveloped by the South Jersey Port Corporation. The redevelopment of the port is essential to new commercial and industrial development in Salem City and the region. The SJEDD is committed to working with Salem County, the Port Corporation and other stakeholders to coordinate access improvements, funding for infrastructure, job development and training for the jobs that will stem from the port's growth. The new Wind Port is another key investment in the region that will have a massive spin-off of new jobs and businesses. The District will continue to participate with the area Workforce Development Boards to support job training and educational opportunities related to port development. In addition, the District will use its website and other social media outlets to market investment opportunities in and around port facilities as they become available.

Air Freight

New air cargo facilities at the Atlantic City International Airport can help expand the region's supply chain capacity and spur the development of the logistics industry. The Millville and Cape May Airports also have the ability to accommodate air cargo, repair, and maintenance facilities. The District will be a partner in promoting these locations for new commercial and industrial investment. The expanding drone and unmanned aircraft industries are key components of aviation and aeronautics where support by the District for new funding opportunities will be critical.

Transloading

The movement of freight from rail to trucks, from ports to rail, and via other intermodal venues will be increasingly important as the region's industrial base expands. The District will work with its member communities and the SJTPO to develop a plan that targets the locations for new transloading infrastructure around the important rail, port, industrial parks, and other centers of commercial activity to enhance the efficiency of freight movements in the region.

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

A principal mission of the CEDS is to address the region's resiliency. This means defining strategies that anticipate risk and providing the actions needed to respond to adversities. Recovery scenarios must look at the potential for both economic and environmental resilience. Strategies must be inclusive of three primary attributes: the ability to recover quickly from a shock, the ability to withstand a shock, and the ability to avoid the shock altogether.

Both the regional and national economies expand and contract regularly. Demographic change often influences the course of events. Regulatory, political or other governmental actions can impact a

region's growth and development. Natural or environmental phenomena can also affect even the best plans and alter their outcomes. The CEDS must therefore anticipate those possibilities and define ways to ensure that the region will be able to sustain a successful CEDS Agenda in light of unanticipated circumstances.

This section of the CEDS examines three areas of public policy that can promote resilience and various courses of action that anticipate and attempt to formulate change that is sustainable. They include Governmental, Environmental, and Economic Policies.

GOVERNMENTAL POLICY

Promoting Effective Land Use and Regulatory Policies

New Jersey is a heavily regulated State. Regulatory issues are often cited as reasons why businesses do not want to locate here. While the South Jersey Economic Development District cannot play a direct role in mitigating the regulatory process, it can be an advocate for both streamlining regulation and fostering greater intergovernmental coordination of regulatory policy. For example, the need to identify and possibly acquire land throughout the region for future economic development is one area where the District can be an advocate. With so much of the region devoted to environmental conservation and land preservation, the District should work with its member counties to target lands for redevelopment, or locations outside the critical environmental areas where infrastructure investments can be made and where new business development can occur. Otherwise, these locations will be consumed by residential or other uses. Acting proactively to channel regional issues and concerns to state agencies, legislators, and other organizations that can impact regulatory or land use policy is also a constructive role that the District can play to promote a more business-friendly, South Jersey environment.

Fostering an Aggressive State-Based Approach to Redevelopment

New Jersey State Development and Redevelopment Plan was adopted in 1992 and updated in 2001. The purpose of the plan was to define areas for managed growth while protecting the State's critical natural resources. State agencies have been effective in coordinating preservation policy, but not very effective in channeling needed resources to areas of the State where economic distress and the need for redevelopment is paramount.

Ongoing WDB Engagement

Each of the four South Jersey counties participates in a Workforce Development Board (WDB, formerly Workforce Investment Board or WIB) that coordinates investments in labor force training and education, with Cumberland, Salem, and Cape May Counties sharing a WDB while Atlantic County has one of its own. The plans and programs of these agencies need to be tailored to the regional needs and priorities outlined in the CEDS. The staff of the SJEDD should meet annually with WDB leadership to ensure that investments are coordinated and that schools, colleges, and other educational and training institutions throughout the region are aware of the economic opportunities being promoted by the District. This should address specifically the challenges raised by the [Talent Attraction Scorecard](#). Remote work opportunities; entrepreneurship training; funding for business start-ups and other such initiatives are needed to enhance the competitiveness of the region for new talent.

Regional Transportation Investment

The SJEDD is located in the same office as the South Jersey Transportation Planning Organization, SJTPO. This makes it easy to work closely with SJTPO staff to coordinate transportation investments with the

development priorities of the District. Together, the District and the SJTPO can be a very effective force for transportation investments outside the immediate region that will have a positive economic impact. For example, the District should continue to be an advocate for the extension of a light rail system to Glassboro. While this is not in the District itself, the impact of a light rail system would expand development opportunities in the District and relieve traffic congestion on area highways.

Helping to Coordinate and Fund QOL Initiatives

Historically, the SJEDD has helped its member constituents seek grant opportunities to build parks, protect open space, develop bike and hiking trails, and invest in other initiatives that will enhance the quality of life for regional residents. In ways that do not overtax the ability of the District to perform this role, this assistance to local governments remains a valuable service and one that can also advance a sustainable development policy.

ENVIRONMENTAL POLICY

Mitigating the Effect of Sea-Level Rise

Rising sea level is a reality regardless of what one might attribute it. Coastal communities in the South Jersey region need to plan for changes in water levels and more frequent, property damaging storm surges and back bay flooding. There are a number of actions that the SJEDD can take to help ensure greater resiliency throughout the coastal region.

Promote Wetlands Protection

Wetlands are nature's sponge and will absorb tidal and storm surges when left undisturbed. The District should support regional land-use strategies that avoid adverse wetland impacts.

Help Target Funding for Beach Replenishment and Storm Surge Barriers

Beaches and dunes provide natural barriers to storm surges and rising tides. Funding to ensure that the height of dunes is increased and that beaches are restored needs to be a high regional, state, and federal funding priority. Recent storm flooding has also highlighted the need for bayside flood control initiatives.

Pumping and Flood Mitigation Measures

FEMA provides funding for pump stations that can provide ongoing relief in communities where flooding barriers have been breached. Well-placed pump stations can mitigate flooding impacts and provide additional resiliency.

Promoting Natural Resource Protection

Encouraging additional public or non-profit conservation ownership of coastal areas will diminish the potential for development in areas where coastal storm damage is likely.

Advancing Brownfield Clean-up and Redevelopment

Cleaning and restoring brownfield properties is not only a good environmental policy. It also provides new developable space in a region that has limited options for large-scale commercial or industrial uses.

ECONOMIC POLICY

Marketing Approach

The District should work with its member counties, municipalities, and state agencies to promote the area as a place to visit, start a business, live, and work.

Grant Funding

The District should work with tourism and marketing partners to promote opportunities in the region.

Website Expansion and Development

The District website should be expanded to include links to regional business & industry resources, tourism contacts, and other development interests. This should also be designed to enhance talent recruitment for new and existing industries.

Business Retention

Attracting new business to the region is not the only way to create a more resilient economy. Retaining business and encouraging local expansion are critically important.

Business Development and Industrial Expansion

Through the offices of the South Jersey District, the counties and municipalities of the region can work together to identify and fund public expenditures, particularly U.S. EDA financing, to invest in new business development, expand industrial parks, and diversify the region's economy. This means focusing efforts in the following areas.

Targeted Industry Expansion

This CEDS has identified a number of economic sectors where innovation and economic growth are anticipated. These include aviation and aeronautics, food processing, clean energy, and advanced manufacturing. Focusing expansion on these areas is a priority.

Tourism and Shore Town Investment

The tourism and gaming industries of the region can help to sustain economic development but are vulnerable to climate change, sea-level rise, natural disasters, and downturns in the regional and national economies. Investments against these potentialities are critically important.

Brownfield and Old Industrial Site Redevelopment

The many small cities throughout the region have old industrial properties, that if cleaned up and made available for new industry, could aid significantly in the expansion and diversification of the regional economy.

Infrastructure

New investments to expand and improve infrastructure are essential in diversifying the regional economy and ensuring that the region can break the cycle of seasonal employment. New infrastructure will also make the area more attractive to prospective businesses seeking transportation, communication, and other linkages to the greater region.

Rail

There are varying opinions among the Counties as to the future dispensation of underused or abandoned rail corridors. Some regions find utility in preserving them for future rail development while others see value in converting them into bike or hiking trails for the development of their tourist industry.

Roads

The southern New Jersey region has historically been isolated from the rest of the State and the greater Philadelphia area by virtue of a limited number of four-lane or interstate highways. Lands at highway

interchanges that are suitable for industrial and business development need to be zoned appropriately by local government so as not to be used for residential, small-strip commercial, or other development.

Broadband and Internet

Almost as important as any other type of infrastructure that provides access, good broadband and internet service is essential. The region needs to identify gaps, particularly around key clusters of existing or potential development, and ensure that affordable service is provided.

Sewer and Water

One of the most common EDA grants involves funding for the installation or extension of sewer and water infrastructure. Again, an expansion of this service means opening up key sites for needed industrial and commercial development.

Diversification

Diversification of the regional economy is essential to moderate the spike in seasonal unemployment and to ensure that workers throughout the area gain access to good, family-wage jobs. The targeted industry clusters and the investments in new businesses as outlined in this CEDS will promote that diversification.

The 2019 Resiliency Study prepared by the District to promote the development of high technology businesses and other companies that diversify the region's economy is a guide to the range of initiatives and actions needed.

3. EVALUATING AND IMPLEMENTING THE CEDS

This CEDS Update provides a comprehensive overview of the South Jersey region's existing economic and demographic characteristics; a thorough SWOT Analysis that defines both assets and regional deficiencies; an examination of economic clusters and the unique, regional attributes on which development and redevelopment strategies and actions can be built.

Once adopted, the CEDS must be reviewed on a regular basis to ensure that it is a relevant and "living" plan – one that is used by the South Jersey Economic Development District Board and the District's member counties and municipalities. The previous pages have outlined ways that District policies can promote greater diversification of the economy and invest in new jobs and economic development. To further the region's sustainability and resiliency, the U.S. EDA has created a "Regional Sustainability Checklist." There are twelve (12) strategic criteria and their presence in the region today are outlined in Table 30 on the following page.

This evaluation checklist identifies areas where there are shortcomings in the region and where the District may wish to invest resources and attention. The ongoing work to address these shortcomings, in partnership with State and local governments will help to gauge the success of the CEDS.

Table 30
EDA Regional Sustainability Checklist

EDA OR OTHER SUSTAINABILITY STRATEGY	PRESENT IN THE CEDS AND/OR REGION	
Identification of Regional Weaknesses and Challenges	Yes	In the SWOT Analysis
Regional Engagement in Comprehensive Planning	Yes	At all Levels of Local and County Government
Initiatives to Broaden the Industrial Base	Yes	Through CEDS Strategies and Local Government
Business Retention Plans	Mixed	Limited Business Retention Plans Regionally
Workforce Development Plans	Yes	Through Workforce Development Boards
Comprehensive and Integrated GIS Networks	No	GIS Limited to Counties and Select Municipalities
Redundancy in Telecommunications and Broadband	No	Locally in Urban Areas but Not Regionally
Conservation of Environmental Areas	Yes	Through Local, County and Statewide Initiatives
Regional Pre-Disaster Planning and Recovery Initiatives	Mixed	Drills planned in Atlantic County, Others Limited Only to State Coastal Planning
Regular Monitoring of Business Needs and Conditions	Yes	Through District Meetings and Initiatives
Rapid Contact System for Government Response Team	Yes	Through County EMS and Communications Offices
Early Warning Tools to Track Economic Conditions and Trends	Pending	To Be Created for the SJEDD Region
Positive Regional Vision and Messaging	Yes	Through the CEDS and Local Plans and Programs

SUMMARY

Certainly, all of these policies and actions cannot be implemented at once. But each of them helps to expand the economy of the region and foster greater economic sustainability. Recovery from a natural disaster or from an economic recession depends on the regional economy being broad-based; one that is expanding and growing; and one that is nimble and not constricted by land use issues, over-regulation, or a top-heavy bureaucracy.

This CEDS provides a general guide for regional collaboration, greater outreach, and new initiatives to diversity and in fact reinvent the regional economy. In the project priorities, the implementation strategy and the policies outlined in this Action Agenda, the region's economy will gain the traction it needs to prosper and provide a good quality of life and business environment for its citizens and future investors.

NEXT STEPS

This document has provided a new database for policies and programs. It includes a look at the region's Strengths, Weaknesses, Opportunities, and Threats. It encompasses new projects for the region's four counties and includes substantial new sections on evaluation and resiliency.

The South Jersey Economic Development District has strong leadership and a coordinated approach to regionally based programs and policies. This CEDS is a major step forward in guiding the District's approach to economic development. With the assistance of the EDA, member counties, and the citizens of the South Jersey region, this CEDS charts a bold path for regional investment and prosperity.

The South Jersey Economic Development District is committed to ensuring that the CEDS is a document that unites the region in a collaborative and coordinated effort to build a better quality of life for its residents and a more prosperous economy. The District and its partners are positioned to invest a considerable amount of staff time and local resources in tracking the implementation of the CEDS and measuring its success.

The Board of the District has provided considerable oversight in the development of the CEDS and is strongly supportive of a proactive, equitable, and sustainable approach to economic development while building "Ladders of Opportunity" for the business community, residents of the region, and other stakeholders. This commitment to leadership and a renewed sense of purpose is evident in the detailed timeline and approach to strategic implementation outlined in the matrix that is part of this plan.

As a united board and in partnership with its member counties and municipalities, the South Jersey Economic Development District is on a continued trajectory for growth and development.



APPENDICES

- COVID-19 ANALYSIS
- WORKER COMMUTATION REPORTS
- PUBLIC MEETING DOCUMENTATION





COVID-19 ANALYSIS



*Assessing the Economic Impacts of the Covid19 Pandemic
on the
South Jersey Economic Development District*



South Jersey Economic Development District

SUBMITTED TO:

South Jersey Economic Development District

BY:

**Richard C. Perniciaro, Ph.D.
Economic Consultant**

September 2020

*Assessing the Economic Impacts of the Covid19 Pandemic
on the
South Jersey Economic Development District*

PART I. INTRODUCTION

Since late April of 2020, the author has conducted studies of each of the four counties which comprise the South Jersey Economic Development District (SJEDD) to estimate the near-term impacts of the COVID19 pandemic on their economies (see the **APPENDIX** of any of the individual studies for the author's qualifications). This report will summarize those studies and, where possible, aggregate the data to the SJEDD level. At the time that each study was being prepared, the most recently available information was used. This report has the advantage of having the second quarter 2020 data available to compare to 2019 with an entire quarter (April to June) of impacts and policies influenced by the COVID19 pandemic.

The reports for each individual county are in the Appendix to the CEDS. Since the methodology and computations for all the studies are similar, this report will only present the latest data in detail and use the relevant results from the previous studies. Those interested in the details of how the results were prepared should reference the individual studies. The individual reports and their sponsoring agencies are:

- Atlantic and Cape May counties: Atlantic County Economic Alliance
- Cumberland County: Cumberland County Improvement Authority
- Salem County: South Jersey Economic Development District

The studies were done following a consistent methodology which has now been used by many regions in the country to estimate economic losses due to the pandemic.

Understanding the trends and magnitude of on-going economic disruptions is vital to the best efforts of the SJEDD at informing the public and making efficient decisions about available resources. As more reliable data becomes available, this will allow for analysis to be done on both overall economic activity as well as that of many vital sub-markets like housing, retail sales and construction

General Methodology:

These studies relied on a methodology which has now been used in many regional studies seeking to analyze the economic impacts of COVID19 and the public policies adopted to minimize its spread. This methodology was first proposed the Brookings Institute (<https://www.brookings.edu/blog/the-avenue/2020/03/17/the-places-a-covid-19-recession-will-likely-hit-hardest/>). In this study, due to their reliance on travel and tourism industries **Atlantic and Cape May counties are ranked number 3 and 7 respectively in the country for vulnerability.** However, Vineland-Millville-Bridgeton (Cumberland County) is ranked #365 out of the 382 national metro areas due to its greater reliance on more basic, essential industries.

An example of the many regional studies now published using the Brookings methodology is from George Mason University assesses the impacts of COVID19 on the Washington, D/C. region. See: (<https://sfullerstitute.gmu.edu/2020/03/18/coronavirus/>)

PART II. MEASURING ECONOMIC ACTIVITY AND KEY RISKS TO THE REGION

Measures of Economic Performance:

In this section, using both the county-level GDP data from the BEA as well as the at-risk industry scheme suggested by the Brookings study, several measures of economic performance are reported. A perspective on the performance of the county's economy is available using the recently published information on county-level GDP. The GDP is used as **the best measure of overall economic activity** in a region. The GDP is measured at the industry where final sales take place. The use of employment data only does not take into account the variations in the productivity or value-added qualities of labor. As a result, using both GDP and employment data gives a much more complete view of economic performance. The relative sizes of GDP for the four counties in the SJEDD and the State of New Jersey are shown below:

TABLE 1

GDP BY COUNTY, 2018 (CURRENT \$1,000s)		
		% of NJ
New Jersey	\$622,002,807	100%
Atlantic	\$14,706,662	2.4%
Cape May	\$5,569,716	0.9%
Cumberland	\$6,823,510	1.1%
Salem	\$5,730,068	0.9%
SJEDD	\$32,829,956	5.3%

Without going into the politics of NJ, **TABLE 1** clearly shows why state efforts at stimulating growth in Southern NJ have been limited and inconsistent. Its economy is relatively small compared to the counties in Central and Northern NJ.

The recent performance of the SJEDD economy is shown in **TABLE 2** below. In 2018, the last year for which data is available at the county level, the region out-performed the state mostly due to the reinvigoration of the casino industry in Atlantic City. In addition, the tourism economy of Cape May County continued its growth while Salem County also improved significantly. In short, the region was finally recovering from the national recession, the effects of which lingered in the region as the housing market suffered one of the most severe rates of foreclosures in the country.

TABLE 2

GDP BY STATE AND COUNTY, 2016 - 2019 (CURRENT \$1,000s)				
Place/Year	2016	2017	2018	2019
New Jersey	\$582,427,513	\$595,324,457	\$622,002,807	\$642,826,391
Growth %		2.2%	4.5%	3.3%
Atlantic County	\$13,694,551	\$13,888,946	\$14,706,662	NA
Growth %		1.4%	5.9%	
Cape May County	\$5,285,073	\$5,340,591	\$5,569,716	NA
Growth %		1.1%	4.3%	
Cumberland County	\$6,704,284	\$6,597,959	\$6,823,510	NA
Growth %		-1.6%	3.4%	
Salem County	\$5,097,376	\$5,464,530	\$5,730,068	NA
Growth %		7.2%	4.9%	
SJEDD	\$30,781,284	\$31,292,026	\$32,829,956	NA
Growth %		1.7%	4.9%	

Using the information on the components of GDP showing the contributions by industry to total output, the information in **TABLE 3** is instrumental in understanding **the potential impact of the**

pandemic on the regional economy. For instance, while the Leisure Services sectors of Atlantic and Cape May counties are responsible for 18.3% and 11.4% of their GDP respectively, the end sales of the Real Estate Renting and Leasing sector are far greater and will certainly be impacted by tourism disruptions. This greatly magnifies the potential economic disruptions due to declines in the Leisure Services industries, this complementary sector needs to be part of any strategy to recover from the current economic slowdown in these counties.

Likewise, the utility industry in Salem County, centered around the three nuclear generating plants, accounts for 55% of the GDP in Salem County. Similar to the large (15.8%) contribution of manufacturing in Cumberland County, the relative stability of these sectors despite the pandemic reveal the basis for less economic disruption in these counties compared to the tourism sectors in Atlantic and Cape May counties. Both nuclear energy and manufacturing (especially food processing in Cumberland County) are essential industries while Leisure Services are non-essential and limited by disposable income.

TABLE 3

COMPONENTS OF GDP BY INDUSTRY, 2018 (\$1,000)						
	<u>New Jersey</u>	<u>Atlantic</u>	<u>Cape May</u>	<u>Cumberland</u>	<u>Salem</u>	<u>SJEDD</u>
Private industries	89.7%	83.3%	83.1%	81.5%	93.0%	84.6%
Agriculture, forestry, fishing and hunting	0.1%	0.7%	(D)	0.9%	(D)	0.5%
Mining, quarrying, and oil and gas extraction	0.1%	0.1%	0.1%	0.6%	(D)	0.2%
Utilities	1.7%	0.9%	(D)	1.0%	55.2%	10.3%
Construction	3.7%	5.3%	6.1%	4.6%	3.1%	4.9%
Manufacturing	8.4%	1.8%	1.3%	15.8%	5.7%	5.3%
Wholesale trade	8.3%	3.4%	1.6%	7.5%	(D)	3.3%
Retail trade	5.6%	7.0%	7.4%	7.4%	2.4%	6.4%
Transportation and warehousing	3.7%	1.8%	0.4%	(D)	2.6%	1.4%
Information	4.3%	1.2%	1.2%	2.7%	0.3%	1.4%
Finance, insurance, real estate, rental, and leasing	22.8%	20.7%	36.9%	17.4%	9.3%	20.8%
Real estate and rental and leasing	16.1%	18.4%	34.8%	15.8%	8.7%	18.9%
Professional and business services	16.2%	8.5%	(D)	(D)	(D)	3.8%
Educational services, health care, and social assistance	9.3%	11.6%	5.6%	11.9%	4.1%	9.3%
Arts, entertainment, rec., accommod., and food services	3.5%	18.3%	11.4%	2.0%	1.1%	10.8%
Other services (except gov. and gov. enterprises)	2.0%	2.1%	2.0%	1.7%	0.8%	1.8%
Government and government enterprises	10.3%	16.7%	16.9%	18.5%	7.0%	15.4%

In summary, the service area of the SJEDD has an economic structure that differs markedly from that of the state. **It is of significant importance that many industries – especially Arts, Entertainment, Recreation, Accommodations and Food Services - most impacted by the pandemic are overrepresented in the SJEDD region’s total output as measured by GDP.** This has led to a greater negative economic impact in the region, a conclusion which following tables will support.

TABLE 4 reports the adverse impacts of COVID19 and its public policies on the employment of the SJEDD region. While the first quarter of 2020 was very similar to that of 2019 for both the region and the state, the second quarter reveals the impacts brought upon the region by the pandemic as a result of its economic structure. The average unemployment rate of 20.7% far exceeds that of the state’s 12.8%. To reiterate the point made previously from another perspective,

the diversity of the state's economy has enabled it to better defend itself against the pandemic's disruptions.

TABLE 4

LABOR FORCE ESTIMATES FOR 2019 VS. 2020 BY AREA								
COUNTY	JAN	FEB	MAR	APR	MAY	JUN	AVG., Q1	AVG., Q2
New Jersey								
Unemployment	200,300	191,600	169,000	710,300	681,000	746,500		
Unemployment Rate, 2020	4.4%	4.2%	3.7%	15.9%	15.1%	16.4%	4.1%	15.8%
2019	4.3%	4.1%	3.7%	2.8%	3.0%	3.3%	4.0%	3.0%
Difference 2020 vs. 2019							0.1%	12.8%
Atlantic County								
Unemployment	8,200	7,700	6,800	41,400	40,100	44,300		
Unemployment Rate, 2020	6.8%	6.4%	5.7%	33.8%	32.5%	34.3%	6.3%	33.5%
2019	6.7%	6.1%	5.5%	4.2%	4.2%	4.4%	6.1%	4.3%
Difference 2020 vs. 2019							0.2%	29.3%
Cape May County								
Unemployment	5,700	5,100	4,500	11,300	9,700	9,300		
Unemployment Rate, 2020	13.6%	12.1%	10.9%	26.9%	22.6%	20.0%	12.2%	23.2%
2019	13.7%	12.2%	10.9%	7.4%	5.0%	4.2%	12.3%	5.5%
Difference 2020 vs. 2019							-0.1%	17.6%
Cumberland County								
Unemployment	4,800	4,500	4,000	11,100	10,300	11,100		
Unemployment Rate, 2020	7.3%	6.8%	6.0%	16.5%	15.1%	16.7%	6.7%	16.1%
2019	7.0%	6.7%	6.0%	4.5%	4.3%	4.8%	6.6%	4.5%
Difference 2020 vs. 2019							0.1%	11.6%
Salem County, NJ								
Unemployment	1,800	1,700	1,500	4,200	4,000	4,300		
Unemployment Rate, 2020	6.2%	5.8%	5.1%	14.4%	13.3%	14.6%	5.7%	14.1%
2019	5.8%	5.6%	5.0%	3.8%	3.9%	4.5%	5.5%	4.1%
Difference 2020 vs. 2019							0.2%	10.0%
SJEDD								
Unemployment	20,500	19,000	16,800	68,000	64,100	69,000		
Unemployment Rate, 2020	8.0%	7.3%	6.5%	26.0%	24.3%	25.4%	7.3%	25.2%
2019	7.9%	7.1%	6.4%	4.7%	4.3%	4.5%	7.1%	4.5%
Difference 2020 vs. 2019							0.2%	20.7%

A final set of data that reveals the causes of the more severe impacts in the four southernmost counties compared to the rest of the state is employment by industry. While the GDP components in **TABLE 2** show the potential for negative economic impacts, the employment data in **TABLE 5** shows the actual performance to date. While employment data by industry is not available for Salem County, the other three component counties of the SJEDD provide evidence of more severe impacts in the region compared to the state. The overall decrease in non-farm employment in Atlantic County (-19.9%) and Cape May County (-29.7%) far exceed that of New Jersey (-10.7%). Once again, there is sufficient evidence that declines in the Leisure and Hospitality sector leave the southern counties far more at-risk. In New Jersey, while the declines are similar in percentage terms, that sector represents only 10% of the overall employment. In Atlantic County it represents 34% of total employment while in Cape May County it is a very significant 39%.

Similarly, the state had 6% of its employment in the Manufacturing sector while Cumberland County had 15%. While this made Cumberland more at-risk to national disruptions in that sector, its emphasis on food processing protected it from more severe employment disruptions. In fact, the decline of employment in that sector (-4.5%) was less than the state's -5.0%.

Finally, the Retail Trade sector was impacted far more in the tourism-centric counties. This sector is tied to local incomes as well as visitor traffic.

TABLE 5

Nonagricultural Wage and Salary Employment By Industry (in thousands)								
	New Jersey		Atlantic County		Cape May County		Cumberland County	
	% of Total	% Change	% of Total	% Change	% of Total	% Change	% of Total	% Change
TOTAL NONFARM	100%	-10.7%	100%	-19.9%	100%	-29.7%	100%	-5.4%
TOTAL PRIVATE SECTOR	86%	-10.9%	86%	-22.0%	85%	-32.7%	84%	-5.4%
Goods-Producing	10%	-5.9%	6%	-14.8%	7%	-7.7%	21%	-4.3%
Manufacturing	6%	-5.0%	2%	4.2%			15%	-4.5%
Service-Providing	90%	-11.3%	94%	-20.3%	93%	-31.3%	79%	-5.7%
Private Service-Providing	76%	-11.6%	80%	-22.5%	78%	-34.8%	64%	-5.8%
Trade, Transportation, and Utilities	21%	-6.7%	15%	-9.4%	18%	-29.8%	24%	0.0%
- Wholesale Trade	5%	-4.2%	2%	-4.0%			6%	0.0%
- Retail Trade	11%	-6.4%	11%	-10.7%	16%	-31.9%	12%	-2.8%
- Transpor., Warehousing, and Utilities	5%	-9.7%	2%	-7.1%				
Information	2%	-7.8%	0%	0.0%			1%	0.0%
Financial Activities	6%	-5.6%	3%	-12.8%			2%	-8.3%
Professional and Business Services	16%	-7.6%	8%	-7.1%			8%	-6.8%
Education and Health Services	17%	-9.3%	16%	-10.3%	9%	-22.0%	19%	-9.0%
Leisure and Hospitality	10%	-34.6%	34%	-39.6%	39%	-47.6%	6%	-13.5%
- Accommodation and Food Services	8%	-30.4%	31%	-41.7%	33%	-41.9%		
- Accommodation	1%	-32.1%	21%	-46.8%				
- Casino Hotels	1%	-48.1%	19%	-48.1%				
Other Services	4%	-13.7%	4%	-17.2%			3%	-10.5%
Government	14%	-9.7%	14%	-7.7%	15%	-13.5%	16%	-5.6%
- Federal Government	1%	1.2%	2%	4.0%	1%	0.0%	1%	0.0%
- State Government	3%	-4.3%	2%	3.3%	2%	-10.0%	4%	-4.8%
- Local Government	9%	-12.8%	10%	-12.2%	13%	-14.7%	11%	-6.3%

As stated previously, it is still too early to understand the consequences of these dislocations on sub-sectors like housing and education. In addition, the added costs to public administration of social welfare programs has yet to be accounted for in the fiscal budgets of municipalities and counties.

One final piece of information which demonstrates the impacts of COVID19 on the employees of the SJEDD region is fortunately available in real-time and shown in **TABLE 6**. Using the information available from the NJ Department of Labor on Unemployment Claimants since the

onset of the pandemic (late March 2020) through the most recent reporting period (July 18, 2020), the harm to resident employees by industry can be observed.

TABLE 6

Characteristics of Initial Unemployment Insurance Claims						
New Jersey and Selected Area						
Week Ending March 21 Through Week Ending July 18, 2020						
	NJ Statewide	Atlantic	Cape May	Cumberland	Salem	SJEDD
	Percent	Percent	Percent	Percent	Percent	Percent
Total Claims	1,336,845	65,274	14,045	19,631	7,382	106,332
Industry Sector						
Accommodation and Food Services	15%	50%	31%	13%	12%	38%
Administrative and Support	9%	5%	5%	9%	10%	6%
Agriculture, Forestry, Fishing and Hunting	0%	0%	0%	1%	1%	0%
Arts, Entertainment, and Recreation	3%	1%	4%	1%	1%	2%
Construction	5%	4%	6%	6%	8%	5%
Educational Services	5%	3%	4%	3%	4%	3%
Finance and Insurance	1%	0%	1%	0%	1%	0%
Health Care and Social Assistance	15%	10%	14%	17%	13%	12%
Information	1%	0%	1%	1%	1%	0%
Management of Companies and Enterprises	1%	0%	0%	1%	0%	0%
Manufacturing	6%	3%	3%	13%	10%	5%
Mining	0%	0%	0%	0%	0%	0%
Other Services (except Public Administration)	6%	4%	5%	5%	4%	5%
Professional, Scientific, and Technical Services	4%	2%	3%	2%	2%	2%
Public Administration	3%	2%	3%	4%	2%	2%
Real Estate Rental and Leasing	1%	1%	2%	1%	1%	1%
Retail Trade	15%	11%	14%	13%	14%	12%
Transportation and Warehousing	6%	2%	2%	6%	11%	3%
Utilities	0%	0%	0%	0%	0%	0%
Wholesale Trade	5%	2%	2%	3%	4%	2%
Total Answered	100%	100%	100%	100%	100%	100%

With a few exceptions, the pattern of unemployment claims for the SJEDD are not dissimilar to those of the state. The large exception is in Accommodation and Food Services. In addition, the 13% of claims in Cumberland County (where 15% of jobs are in that sector) in Manufacturing and 10% in Salem County are the results of higher concentrations of employment in that sector. Also of note is that while the education/health care/social assistance sector is partially publicly funded, it accounts for one of the largest number of unemployment claims in Cumberland and Salem counties.

PART III. ASSESSING THE IMPACTS AND STRATEGIES FOR RECOVERY

The final section uses the information presented above to estimate the economic losses expected in 2020 from the COVID19 virus and the policies put in place to control it. As commented on previously, the region was expecting a continuation of the growth and activity recorded in the 2019 economic indicators.

In order to assess the economic losses from COVID19, the first step is to estimate the economic performance that would have occurred in its absence. **TABLE 7** presents these projections, they are labeled “pre-pandemic”. The second step was to estimate the trends for GDP and employment in the “post-pandemic” case based on evidence now available. In all cases, the most severe loss in GDP was expected in the second quarter of 2020 with full recovery not occurring until the end of 2021.

TABLE 7

ESTIMATES OF ECONOMIC LOSSES, 2020 (\$1,000)						
	<u>NJ Statewide</u>	<u>Atlantic</u>	<u>Cape May</u>	<u>Cumberland</u>	<u>Salem</u>	<u>SJEDD</u>
Pre-CV19 GDP Est.	\$667,990,281	\$15,881,869	\$5,917,467	\$7,274,895	\$6,153,576	\$35,227,808
Post-CV19 GDP Est.	\$586,032,679	\$12,180,001	\$4,360,541	\$6,615,286	\$5,467,806	\$28,623,634
GDP Loss	\$81,957,602	\$3,701,869	\$1,556,926	\$659,609	\$685,771	\$6,604,174
% Loss	12.3%	23.3%	26.3%	9.1%	11.1%	18.7%

As estimated, the results for the state are that the -12.3% decline in GDP has replaced an expected 3.9% expansion. This results in economic losses of \$82B in GDP in 2020. Likewise, while a recovery is expected in 2021, the losses still are expected to be \$70B in that year. If the recovery continues as expected, the 2022 New Jersey economy should finally exceed the 2019 level of GDP.

For the entire SJEDD region expected losses total \$6.6B with much of that lost in the just expired second quarter. The 18.7% loss of GDP is 52% greater than the 12.3% estimated loss for the state. This roughly follows evidence shown previously on unemployment rates and employment losses.

Strategies for Recovery:

In the short-term strategies for economic recovery differ for the eastern counties versus the western counties. In Atlantic and Cape May counties, it is clear that the tourism industry needs to be opened up to more customers. Changing the structures of their economies is a very long-term strategy and certainly much more difficult in the middle of a pandemic. However, as has been

emphasized in many places over many years, the best protection against any economic dislocation which limits spending on discretionary activities is to promote more essential industries.

Examples of success in making these long-term structural changes can be found mostly where state governments have the will and reason to do so. Good examples are the actions of Virginia and Maryland to save and expand their shellfish industries. The levels of state support dwarf those of New Jersey in this area. In addition, see *Planting Innovation in Rural America Putting Together a Regional Innovation Cluster in Southside Virginia with All the Right Pieces* by Timothy V. Franklin, Sam Leiken, and Nancy E. Franklin. The willingness of the state to move whole sections of the state university to what was previously tobacco country shows that real investment without short-term expectations can be successfully accomplished.

For Cumberland and Salem counties, the short-term strategies are mostly to protect and expand the essential energy, manufacturing and transportation industries. The state has recently passed legislation to protect the nuclear industry in Salem County as part of a carbon-free plan. The manufacturing sector needs investment in technology and training for residents to participate in incorporating those technologies into an expanded list of products related to the existing plastics, pharmaceutical and food processing industries. The success of Teligent is a good example.

Summary:

In summary, three points need to be emphasized:

1. The latest evidence confirms that the SJEDD region has been more susceptible to economic damage from the pandemic due to its over-reliance on non-essential industries.
2. While this study deals with a broad measure of economic activity, GDP, there are many sectors of the economy that need attention in terms of study and strategies. These include public as well as private concerns, any that rely on timely and consistent revenues and incomes. **There will be a host of unexpected and lagging economic consequences not the least of will impact the housing and real estate markets.**

As residents in this region know from the recession of 2007, the retail industry, the housing and construction industries and a host of other sectors are at risk of long-term damage from the current economic disruptions. **They need to be monitored, assisted and supported to survive.**

- 3. The information on the characteristics of claimants to unemployment benefits is the best and most timely data to understand which residents of the county are being impacted by the pandemic.** This data can be used for outreach to these targeted groups and to inform public and non-profit agencies of where the most pressing needs exist.



WORKER COMMUTATION REPORTS



Local Employment Dynamics *OnTheMap*

Worker Inflow/Outflow Report

Atlantic County

NEW JERSEY STATE DATA CENTER

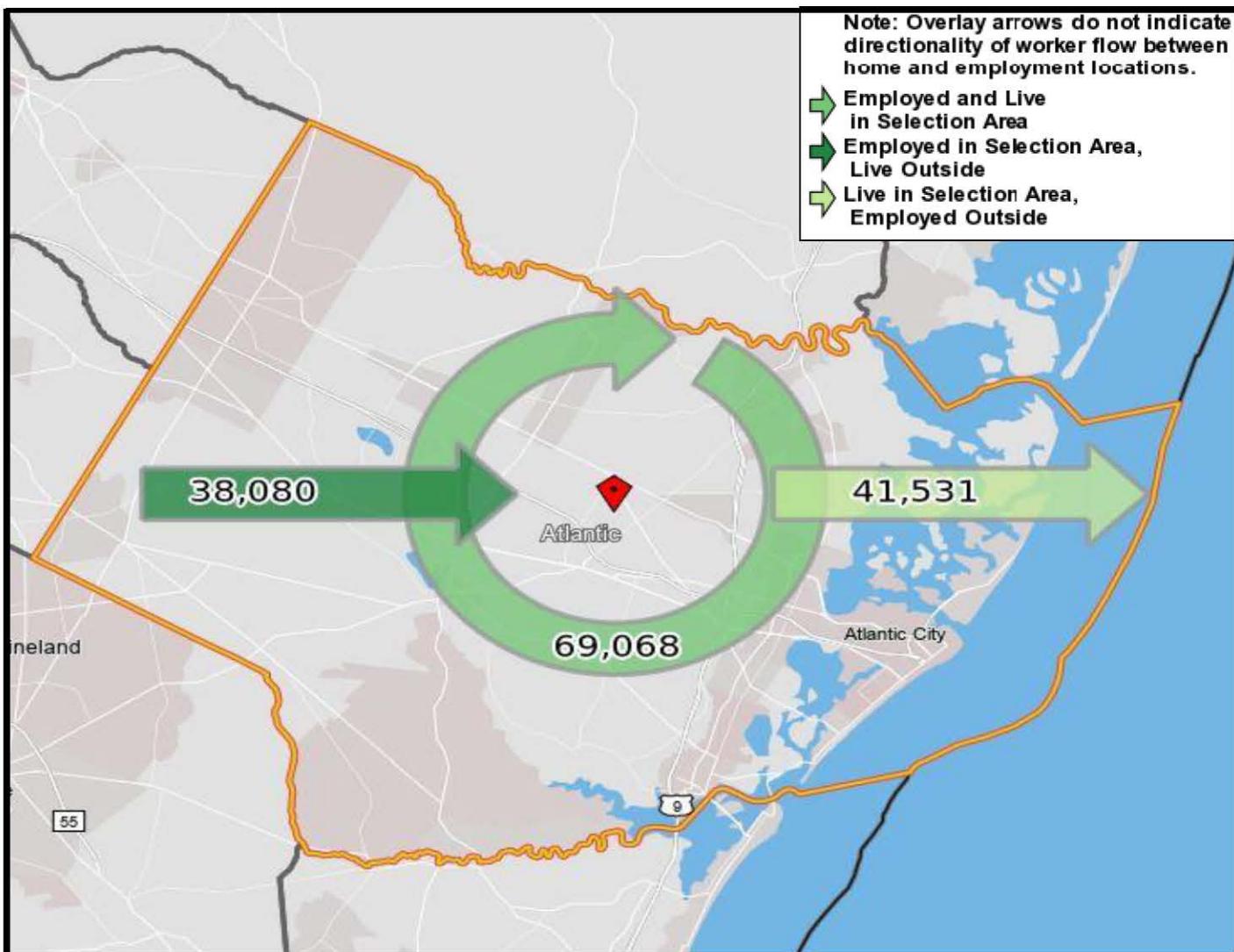


in partnership with



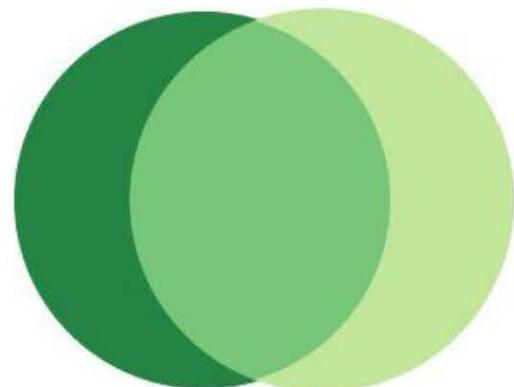
Note: Overlay arrows do not indicate directionality of worker flow between home and employment locations.

- Employed and Live in Selection Area
- Employed in Selection Area, Live Outside
- Live in Selection Area, Employed Outside



Inflow/Outflow Job Counts in 2017	Atlantic County	
	Count	Share
Primary Jobs		
Employed in the Selection Area	107,148	100.0%
Employed in the Selection Area but Living Outside	38,080	35.5%
Employed and Living in the Selection Area	69,068	64.5%
Living in the Selection Area	110,599	100.00%
Living in the Selection Area but Employed Outside	41,531	37.60%
Living and Employed in the Selection Area	69,068	62.40%
Net Job Inflow (+) or Outflow (-)	-3,451	

Inflow/Outflow Job Counts in 2017



- 38,080 - Employed in Selection Area, Live Outside
- 41,531 - Live in Selection Area, Employed Outside
- 69,068 - Employed and Live in Selection Area

Source: US Census Bureau Local Employment Dynamics

Local Employment Dynamics *OnTheMap*

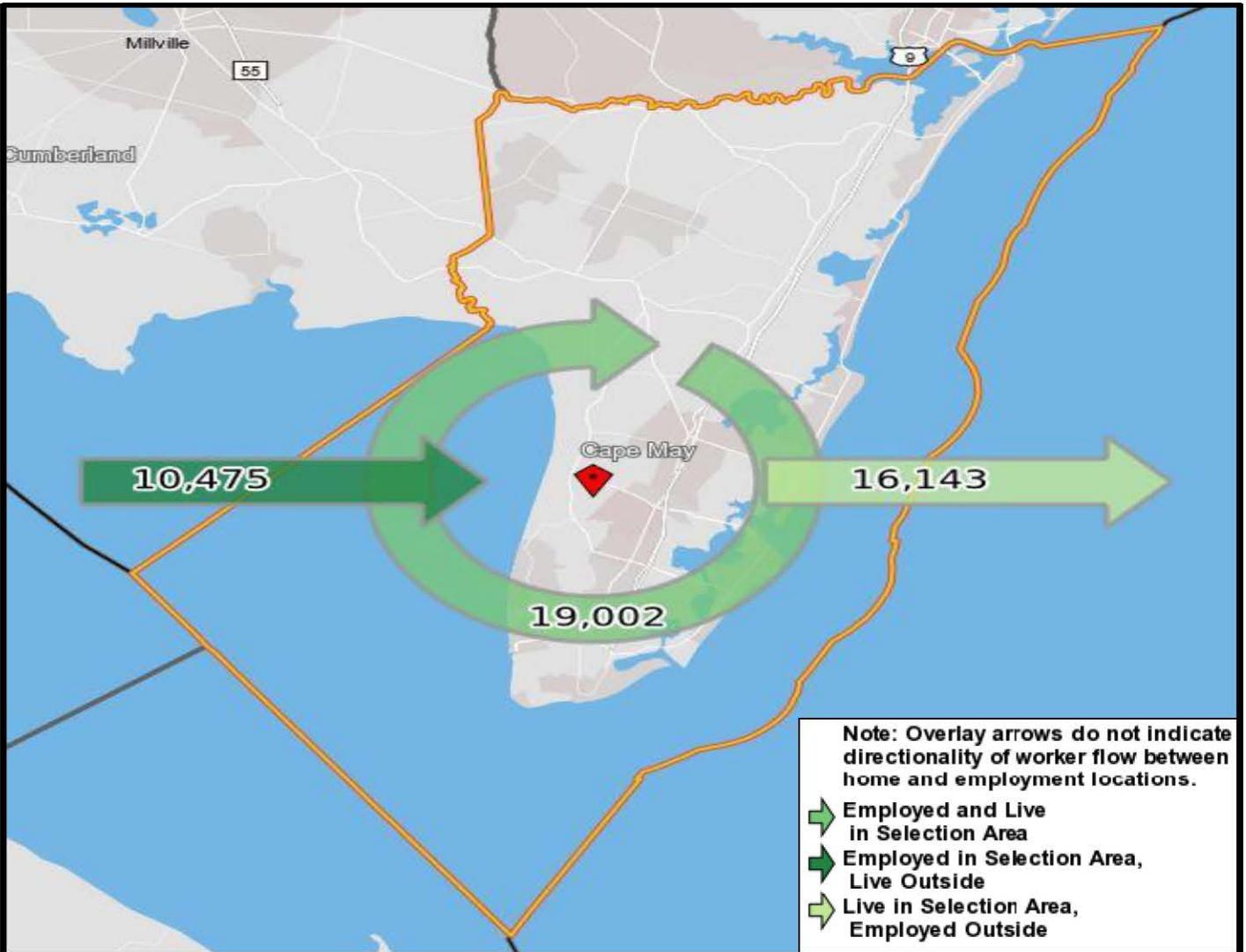
Worker Inflow/Outflow Report

Cape May County

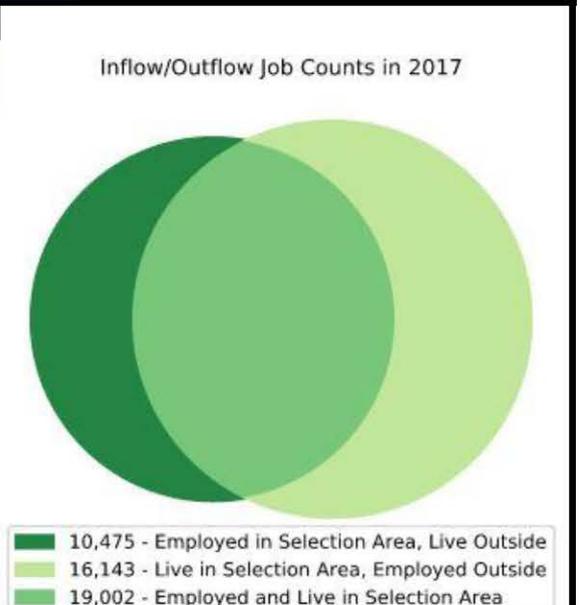
NEW JERSEY STATE DATA CENTER



in partnership with



Inflow/Outflow Job Counts in 2017	Cape May County	
	Count	Share
Primary Jobs		
Employed in the Selection Area	29,477	100.0%
Employed in the Selection Area but Living Outside	10,475	35.5%
Employed and Living in the Selection Area	19,002	64.5%
Living in the Selection Area	35,145	100.00%
Living in the Selection Area but Employed Outside	16,143	45.90%
Living and Employed in the Selection Area	19,002	54.10%
Net Job Inflow (+) or Outflow (-)	-5,668	



Source: US Census Bureau Local Employment Dynamics

Local Employment Dynamics *OnTheMap*

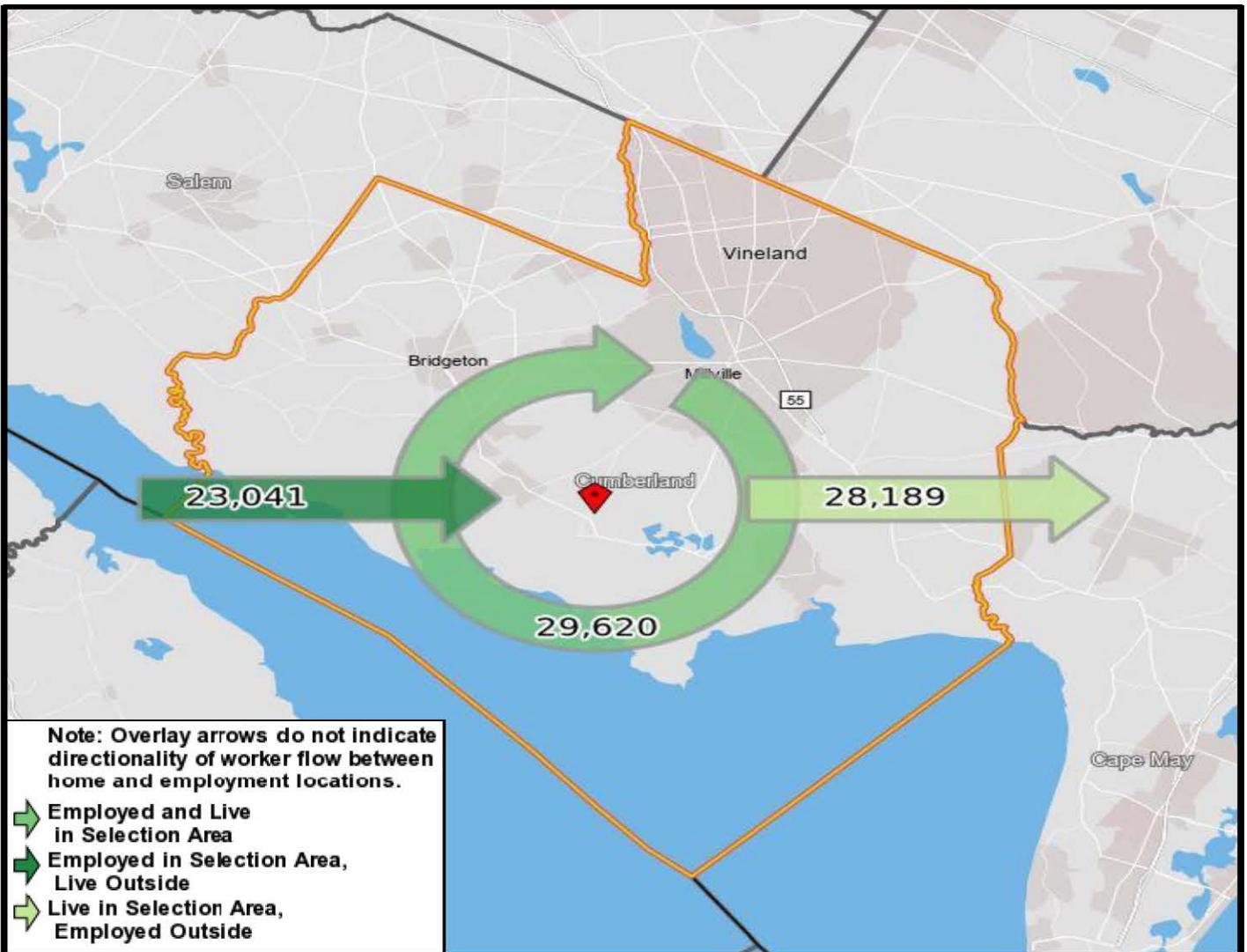
Worker Inflow/Outflow Report

Cumberland County

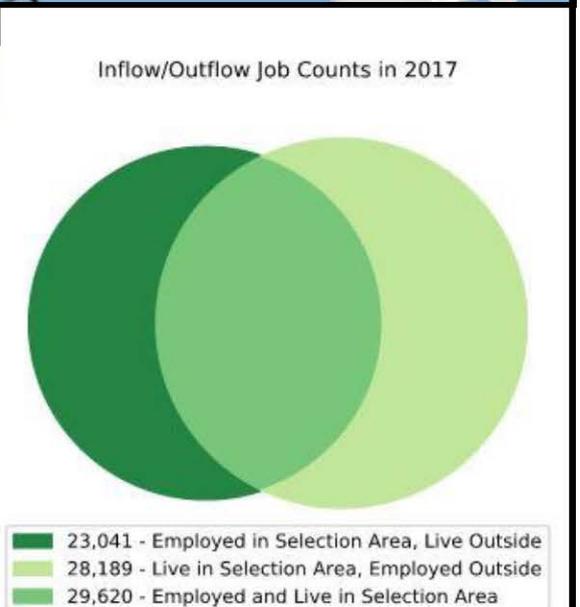
NEW JERSEY STATE DATA CENTER



in partnership with



Inflow/Outflow Job Counts in 2017 Primary Jobs	Cumberland County	
	Count	Share
Employed in the Selection Area	52,661	100.0%
Employed in the Selection Area but Living Outside	23,041	43.8%
Employed and Living in the Selection Area	29,620	56.2%
Living in the Selection Area	57,809	100.00%
Living in the Selection Area but Employed Outside	28,189	48.80%
Living and Employed in the Selection Area	29,620	51.20%
Net Job Inflow (+) or Outflow (-)	-5,148	



Source: US Census Bureau Local Employment Dynamics

Local Employment Dynamics *OnTheMap*

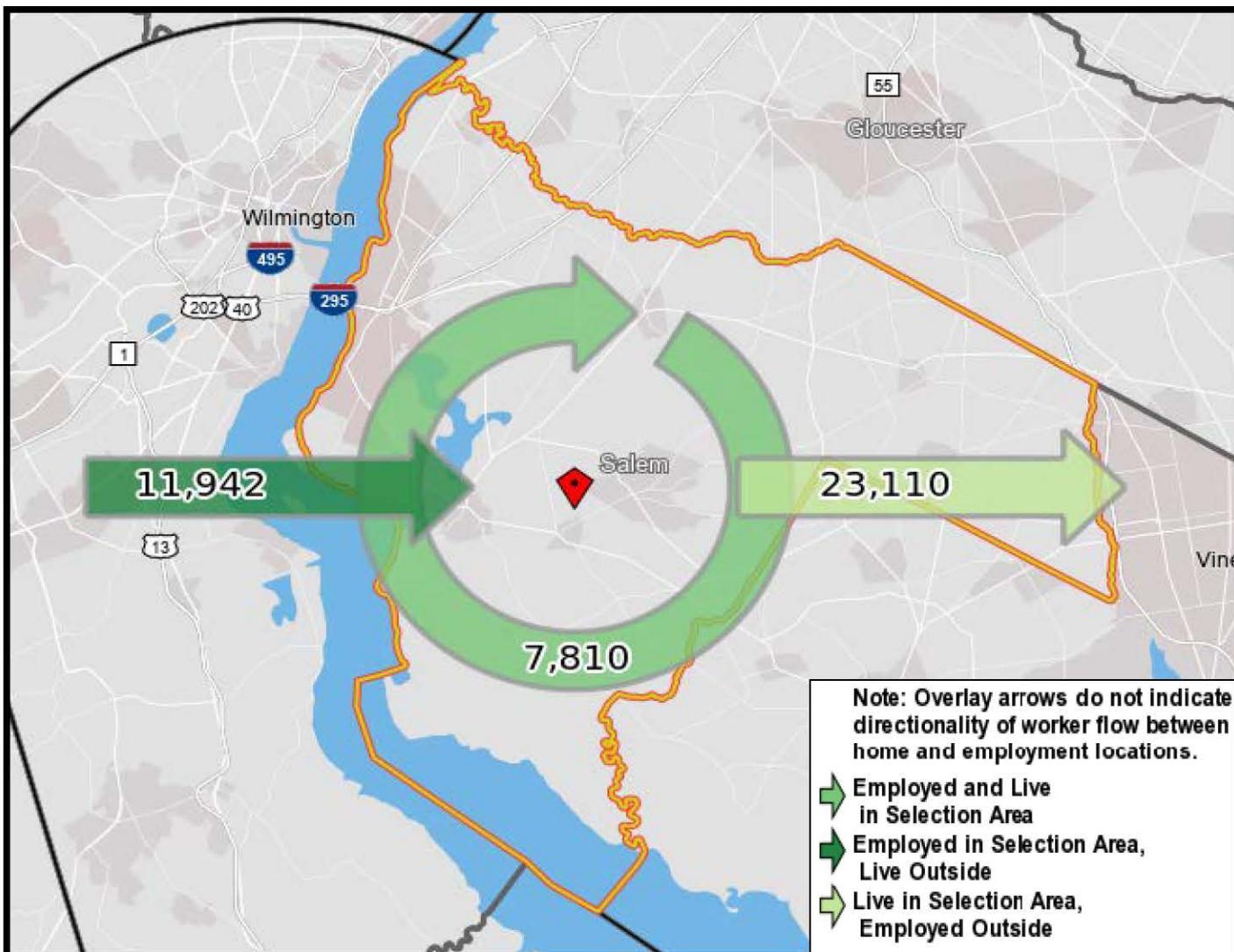
Worker Inflow/Outflow Report

Salem County

NEW JERSEY STATE DATA CENTER



in partnership with

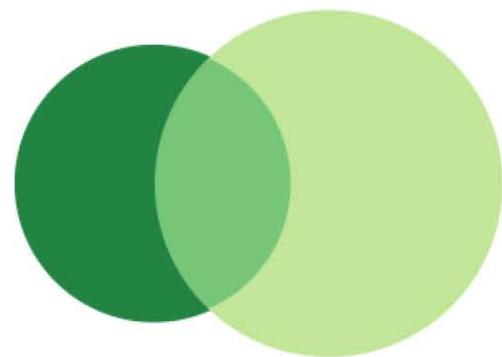


Note: Overlay arrows do not indicate directionality of worker flow between home and employment locations.

- Employed and Live in Selection Area
- Employed in Selection Area, Live Outside
- Live in Selection Area, Employed Outside

Inflow/Outflow Job Counts in 2017 Primary Jobs	Salem County	
	Count	Share
Employed in the Selection Area	19,752	100.0%
Employed in the Selection Area but Living Outside	11,942	60.5%
Employed and Living in the Selection Area	7,810	39.5%
Living in the Selection Area	30,920	100.00%
Living in the Selection Area but Employed Outside	23,110	74.70%
Living and Employed in the Selection Area	7,810	25.30%
Net Job Inflow (+) or Outflow (-)	-11,168	-

Inflow/Outflow Job Counts in 2017



- 11,942 - Employed in Selection Area, Live Outside
- 23,110 - Live in Selection Area, Employed Outside
- 7,810 - Employed and Live in Selection Area

Source: US Census Bureau Local Employment Dynamics



PUBLIC MEETING DOCUMENTATION



PUBLIC NOTICE

SOUTH JERSEY ECONOMIC DEVELOPMENT DISTRICT

LISTENING SESSIONS & PUBLIC COMMENT OPPORTUNITY FOR 2022 -2027 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

The South Jersey Economic Development District (SJEDD) is a Certified Economic Development District covering Atlantic, Cape May, Cumberland, and Salem Counties. Formed in 1984, SJEDD serves local jurisdictions as a technical resource, provides access to federal Economic Development funding, and works to provide a regional approach to address economic planning and development issues.

SJEDD will host virtual listening session for interested members of the public to learn about and comment on the draft update to the Comprehensive Economic Development Strategy (CEDS) prepared for the five-year period of 2022 -2027. The CEDS is a guide for the regional approach to economic development. It is available on the District website at (<https://sjedd.com/pdf/CEDS-2022-draft6-27-22.pdf>).

The feedback received at the listening session and during the comment period (July 11, 2022 – August 24, 2022) will help SJEDD staff to complete the update consistent with USEDA rules for preparation of the CEDS.

The one-hour virtual listening session will take place via ZOOM Webinar on the following day and time:

- Wednesday July 27, 2022 at 4:00 PM

A pre-registration link is provided on the SJEDD webpage (www.sjedd.com/public-comment). A comment period opened prior to the listening session on Monday July 11, 2022 and will conclude on August 24, 2022.

Comments made outside of the listening session can be submitted via the SJEDD email at (info@sjedd.com). Additionally, comments may be submitted via fax (856-794-2549), or mail to: CEDS Comments, SJEDD, 782 South Brewster Road, Unit B6, Vineland, NJ 08361.

Meeting One: February 23, 2022

Attendees

1. Lou Joyce, Executive Director, South Jersey Economic Development District
2. Steve Kehs, Vice President, Triad Associates
3. Scott Armato, Associate, Triad Associates
4. Leslie Gimeno, Planning Director, Cape May County
5. Joe Molineaux, Economic Development Program Coordinator, Cape May County
6. Ron Burkhardt, Assistant Dean of Institutional Research and Planning, Salem Community College
7. Julie Acton, Executive Director, Salem County Improvement Authority

Minutes

The meeting was called to order at 9:30 am.

Mr. Armato of Triad Associates gave a short presentation on the current CEDS.

Ms. Acton of Salem County began the discussion with several notes:

1. Egg Harbor City had been inadvertently left out of the NPP list.
2. No NPP districts in Salem County?
 - a. No, but some may apply in a future round.
3. Ms. Acton noted that the document continues to use 2012 dollars in 2022.
 - a. Mr. Joyce suggested that it be left that way for ease of comparison.
4. Ms. Acton noted that the housing section needed a caveat about using different sources.

Mr. Burkhardt of Salem County noted that locations of specific counties needed to be spelled out a little better when referring to specific growth sectors.

Mr. Joyce asked if, among the sectors on page 33, if #3 was too broad. Consensus was that it could be clearer.

Mr. Kehs of Triad Associates noted the growth of the food processing sites, particularly of agricultural areas, and in plant-based food products. He also noted that there are disappearing opportunities for industrial sites in Cumberland County.

Ms. Gimeno noted that the aviation and technology businesses at the Cape May Airport offered year-round job opportunities.

Mr. Molineaux noted that broadband infrastructure throughout the region is lacking, which creates a lack of connectivity for individuals.

Mr. Molineaux further noted that Cape May County is looking into diversifying its tourism base, expanding into eco- and agri-tourism while still focusing on traditional tourism, as well.

Mr. Joyce stressed the importance of maintaining the shore counties' current infrastructure such as boardwalks.

Mr. Joyce brought up the expansion of cannabis, wondering if it will be limited due to the industry's federal status.

Mr. Molineaux brought up the subject of workforce housing, particularly in light of the growing cannabis industry.

Mr. Kehs suggested that there may need to be a revision to how we discuss workforce housing, whether it means housing to accommodate the workforce or if it refers to a specific location.

Mr. Molineaux suggested a regional approach to workforce housing.

Mr. Joyce suggested to express the regional need through the county need.

Ms. Acton inquired as to what grants might be available. Mr. Joyce suggested to look into infrastructure, brownsfields, rail, and wind.

Ms. Acton noted the omission of the DuPont Industrial Park from the list. Mr. Joyce noted that it was privately owned, which may account for the omission, and suggested that it be added, along with Oldmans Township.

Mr. Joyce asked about a pre-disaster plan and Ms. Gimeno referred him to the all-county plan.

The meeting was adjourned at 10:30am.

Meeting Two: February 25, 2022

Attendees

1. Lou Joyce, Executive Director, South Jersey Economic Development District
2. Steve Kehs, Vice President, Triad Associates
3. Scott Armato, Associate, Triad Associates
4. Joe Molineaux, Economic Development Program Coordinator, Cape May County

Minutes

The meeting was called to order at 9 am.

As there were no new attendees and Mr. Molineaux had no new business, the meeting was adjourned at 9:12 am.

Meeting Three: March 7, 2022

Attendees

1. Lou Joyce, Executive Director, South Jersey Economic Development District
2. Steve Kehs, Vice President, Triad Associates
3. Scott Armato, Associate, Triad Associates
4. Max Slusher, Director of Economic Development, Atlantic County Improvement Authority

Note: This was a special meeting, called with the express purpose of gaining Mr. Slusher's insights. This meeting was not open to the public.

Minutes

The meeting was called to order at 3 pm.

Mr. Slusher spoke of offshore wind in Salem County, expected to bring 150 direct jobs and 30 or 40 indirect. He noted that the project is still under construction. Atlantic City International Airport (ACY) air traffic. Shoulder season impact will probably not be a reality.

Mr. Slusher brought up the possibility of two new casinos opening in the NJ Meadowlands/Manhattan area within the next three years, focusing on eGaming and sports wagering. He expects that this will have the effect of two to four Atlantic City casinos closing with the loss of 10,000 jobs.

Mr. Slusher noted the 400 acres in the northwest corner of ACY that is currently a nature reserve that can be developed for air cargo. He notes that the sewer pipes, which currently stop at the Amazon facility, need to run about a quarter-mile down Pomona Road in order for that to happen. He notes that there will soon be an offshore wind logistics center at the airport. A produce provider and a flower distributor – both from Miami, Florida – want to open facilities at the airport.

Mr. Slusher notes that the average age of wind turbine techs is 57 years old; as such, considering the explosion of the wind industry in the SJEDD region, there will be a dearth of people who are properly trained to maintain these structures.

Mr. Slusher suggested a regional approach to workforce development, emphasizing STEM careers in aviation. He suggested that Atlantic City needs more publicity, primarily to convince local young people to train there for the good jobs opening in the area.

Mr. Slusher has called for a statewide air cargo master plan. He notes that the airspace, particularly around ACY is crowded and requires deconfliction; however, any plan would require approval by the FAA. They are currently looking for a consultant to assist in deconflicting South Jersey, but this effort will require regionwide collaboration.

Mr. Slusher spoke of the need for disaster recovery and emergency drills. He noted an ongoing “big disaster exercise” happening over the summer of 2022 with the goal of pulling together resources post-disaster.

Mr. Slusher suggested creating an inventory of all smart aviation-related businesses to create a strategy from these resources.

Mr. Slusher suggested that some of the smaller regional airports in the area, including Millville, Woodbine, and Cape May, find some way to support the offshore wind industry. He suggested incentivizing an airfield in Salem County.

Mr. Slusher suggested that the Atlantic City casinos will need a COVID-19 recovery plan.

He further suggested that traditional agricultural industries in the region “are not gonna cut it.” He suggested the need for value-added process such as processing and canning will result in higher revenues and in more, higher paying jobs.

Finally, Mr. Slusher suggested that the region continue to invest in “the trades” to support the aviation sector, such as welders, electronics, etc.

The meeting was adjourned at 10 am.



SOUTH JERSEY ECONOMIC DEVELOPMENT DISTRICT



Comprehensive Economic Development Strategy

Facilitated by



March 2023