



ECONOMIC DEVELOPMENT
PARTNERSHIP OF NORTH CAROLINA

2016

NORTH CAROLINA

OUR HOME IS YOUR HOME FOR BUSINESS

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Nothing Compares
NORTH CAROLINA

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MARKET ACCESS





INVEST IN NORTH CAROLINA

North Carolina's winning combination of location, workforce, existing industry strength, and business-friendly environment makes it a leading destination for domestic and international companies alike. The state boasts the fastest growing large economy in the U.S. and consistently ranks among the top five in internationally-recognized business environment rankings.

North Carolina has the 9th largest state population in the U.S. with over 10 million residents. The state's low cost of living and highly educated workforce further contribute to its favorable business environment. Companies also benefit from North Carolina's concentration of research & development activity. Advantages of doing business in North Carolina include:

- **Skilled labor force**
- **Business-friendly environment**
- **Convenient market access**
- **Top-ranked industry support**
- **Exceptional quality of life**

Consider **North Carolina** for your next trade or investment decision, and find out why ***Nothing Compares.***

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North Carolina is one of the **most promising business regions** in the U.S., and it's gratifying to play a role in its continued growth. We look forward to **continued collaboration** and investment in the region for years to come.

John Gaunt,
Vice President, HCL Technologies

North Carolina is a **great place to live and work**, and we are delighted to contribute to the growth of this region.

Tim Schellpeper,
President, Smithfield Farmland



UNMATCHED BUSINESS ENVIRONMENT

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#1

Top Competitive State

- Site Selection (2015 Prosperity Cup)

#2

Best State for Business

- Forbes (2015)

#3

Lowest State & Local Business Tax Burden in the U.S.

- Ernst & Young (2015)

#5

Lowest Tax Rate for Corporate HQs

- Tax Foundation (2015)

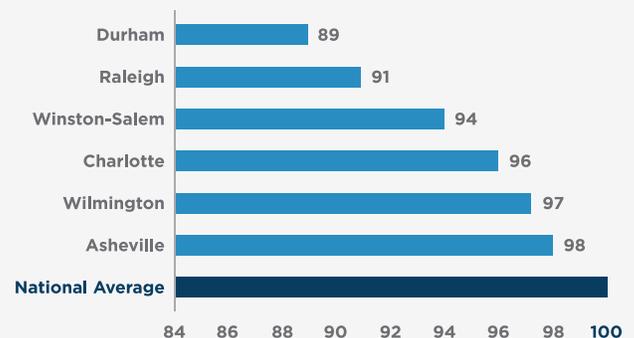
Highly Skilled Workforce

North Carolina's **53 colleges & universities and nationally recognized, 58-campus community college system** produce a highly skilled workforce.

- **108,800 degrees awarded** from North Carolina colleges and universities in 2014
- **4.9 million** in the North Carolina labor force
- **460,000 manufacturing employees**

Low Cost of Living

The cost of living in many of North Carolina's metropolitan areas is **well below the national average**.



Index (100 = National Average)

Low Construction Costs

Average construction costs in North Carolina's metropolitan areas are **18% below the national average**.

Source: RSMeans

Low Electricity Costs

North Carolina's electricity costs run nearly **9% below the national average**.

Source: U.S. Energy Information Administration

Source: Council for Community and Economic Research

Taxes

Corporate Income Tax

4.0%

The rate will reduce to 3.0% in 2017 or any subsequent year when general fund revenue targets are met. North Carolina has begun to phase in single sales factor apportionment.

Personal Income Tax

5.75%

The rate will drop to 5.499% in 2017 (flat rate).

The standard deduction is \$16,500 for married couples, \$13,200 for heads of household, and \$8,250 for single taxpayers.

Sales & Use Tax

6.75% - 7.50%

The statewide sales tax is 4.75%. Counties levy an additional 2-2.75%. Aviation gasoline and jet fuel are exempt. North Carolina also has exemptions for manufacturing companies.

Property Tax

The state does not levy property tax.

Real and personal property is taxed by local governments.

North Carolina has exemptions for inventories and recycling.

Incentives

Targeted, performance-based incentive programs complement North Carolina's competitive business cost structure. The Economic Development Partnership of North Carolina helps companies navigate the incentive process.

Job Development Investment Grant (JDIG)

JDIG is a performance-based, discretionary incentive program that provides cash grants to new and expanding businesses to help offset the cost of locating or expanding a business facility in North Carolina. Companies can qualify for a JDIG based on the project location, number of jobs, and average wage. The grant amount is based on a percentage of the personal income tax withholdings associated with the new jobs. For high-yield projects that invest \$500+ million and create 1,750+ jobs, JDIG can provide a grant worth up to 100% of personal income tax withholdings for 20 years. A company can use JDIG funds for any purpose.

One North Carolina Fund (One NC)

One NC is a discretionary cash-grant program that allows the Governor to respond quickly to competitive job-creation projects. The local government must provide an incentive to match the One NC funding. Awards are based on the number of jobs created, level of investment, location of the project, economic impact of the project, and the importance of the project to the state and region. Awards may be used for installation or purchase of equipment, structural repairs and renovations, and construction or improvements to utility lines and associated equipment in new or existing buildings.

Public Infrastructure & Transportation Programs

North Carolina offers a number of different programs to fund public infrastructure development, including:

- Community Development Block Grant Economic Development Program
- Utility Account
- Rural Division's Economic Infrastructure Program
- NC Department of Transportation's Rail Industrial Access Program
- NC Department of Commerce & NC Department of Transportation's Joint Economic Development Program

Building Reuse Programs

North Carolina offers two different programs that provide grants to renovate and upfit vacant industrial and commercial buildings including:

- Community Development Block Grant Building Reuse Program
- Rural Division's Building Reuse Program

Other Incentive Programs

- NCWorks Customized Training Program
- Foreign Trade Zones
- Golden LEAF Foundation Grants



LEADING INDUSTRY CLUSTERS THRIVE IN NORTH CAROLINA

Information Technology

North Carolina has the **second fastest growing information technology (IT) cluster in the U.S.**, growing 26% since 2010. 126,000+ North Carolina residents make up the state's robust and growing IT workforce. In fact, North Carolina ranks #2 for Science, Technology, Engineering, and Math (STEM) program completions in the Southeastern U.S., and is a leading state for STEM job growth.

Furniture

Dubbed the **"Furniture Capital of the World,"** North Carolina's furniture cluster boasts nearly 3,000 establishments and more than 35,000 employees. **The state's concentration of furniture manufacturing activity is more than 3x the national average.** High Point, NC hosts the biannual High Point Market, the largest furnishings industry trade show in the world. The American Society of Furniture Designers, American Home Furnishings Alliance, and the NC Advanced Manufacturing Alliance help connect furniture companies with the resources needed to prosper in North Carolina.

Business & Financial Services

North Carolina is a premier location for business and financial services. The state has the 6th fastest growing financial services market in the United States with more than 153,000 people working at over 14,600 financial industry establishments. In fact, **Charlotte is the second-largest banking capital in the U.S.** Bank of America, the nation's largest bank in assets, is headquartered in Charlotte, NC.

Aerospace & Defense

North Carolina is home to numerous large aerospace & defense operations including GE Aviation, HondaJet, and ATI Specialty Materials. North Carolina boasts a **top-tier labor and innovation pipeline** via university-level aerospace programs, aerospace-specific vocational training, research & development partnerships, and military specialization. North Carolina has the 4th largest active duty military population in the U.S.

Textiles

North Carolina has the largest textile mill cluster in the U.S. The state's 700+ textile manufacturing establishments employ 32,800 workers. North Carolina companies engage in a variety of activities ranging from traditional textile operations to engineered fabrics and wearable technology manufacturing. Home to the only college in the U.S. devoted entirely to textiles, North Carolina State University's College of Textiles houses several programs and organizations that provide research & development, education, and training for NC's textile industry.

Plastics & Chemicals

North Carolina is home to a robust plastics & chemicals cluster. **The state's concentration of plastics & chemicals manufacturing is more than 5x the national average.** North Carolina's plastics & chemicals cluster employs more than 76,000 workers at over 900 establishments. Active industry support organizations such as the Polymers Center of Excellence at North Carolina State University help facilitate research & development.

Food Processing & Manufacturing

North Carolina's 960-establishment food & beverage manufacturing industry enjoys convenient access to local and regional suppliers. Employing 62,500 across the state, the industry includes a variety of thriving clusters including agriculture, **the second largest animal processing and manufacturing cluster, and the 6th fastest growing confectionery production cluster in U.S.** Prominent industry support organizations such as the North Carolina Food Manufacturing Task Force, NC's Department of Agriculture & Consumer Services, and the North Carolina Research Campus help connect food and agricultural companies with the resources they need to succeed.

Energy

North Carolina has one of the fastest growing renewable energy clusters in the U.S., boasting 45% growth by revenue from 2014 to 2015. With 1,000 firms and 26,000+ full-time employees, NC clean energy generates nearly \$7 billion in annual gross revenues. **Booming smart grid, solar, wind, and bioenergy sectors** underpin the industry's growth. Duke Energy, the largest electric utility in the U.S., is headquartered in North Carolina and actively participates in renewable energy investments around the state.

Biotechnology & Pharmaceuticals

With more than 600 biotechnology & pharmaceutical companies, **North Carolina is home to one of the world's most mature life science clusters.** Pharmaceutical companies, drug development & contract research organizations, medical device manufacturers, crop genetic engineering businesses, regenerative medicine firms, and health informatics organizations all call the state home. Nearly 61,000 highly skilled employees work in the industry. More than 360 research & development companies and seven research parks support life sciences in the state, including **Research Triangle Park, the largest research park in the U.S.**

Automotive, Truck & Heavy Manufacturing

Nearly 34,000 people work at North Carolina's 415+ transportation equipment manufacturing establishments. The state's automotive manufacturing sector has grown 32% since 2011 and supports the largest heavy-duty truck manufacturing sector in the U.S. In fact, **34 of the top 150 automotive parts manufacturers in North America have significant operations in North Carolina.** Customized training programs support the industry's continued growth and success.



SKILLED WORKFORCE & INDUSTRY SUPPORT

North Carolina offers one of the nation's most renowned education systems, supplying companies a pipeline of skilled workers and access to research & development resources.



Universities

Undergraduate and
Advanced Graduate
Degrees

Elite higher education institutions across the state support North Carolina's workforce.

North Carolina has 53 colleges and universities. From Appalachian State University in the West to East Carolina University near the coast, The publicly-funded University of North Carolina System draws students from all over the world to its 17 campuses. The state's three Tier 1 research universities: North Carolina State University, Duke University, and the University of North Carolina at Chapel Hill, are at the cutting edge of education and R&D. Renowned private institutions such as Wake Forest University and Davidson College also call North Carolina home.



Community Colleges

Vocational Degrees

Pioneering the nation's most advanced programs in vocational and technical education.

The North Carolina Community College System (NCCCS) is widely regarded as offering some of the most comprehensive and advanced vocational and technical programs in the U.S. More than 800,000 students enroll at one of NCCCS's 58 campuses each year. In fact, every North Carolina resident lives within a 30-minute drive of a community college, making high quality education accessible to the state's growing workforce.



NCWorks

Customized Training
Programs

Providing customized training and recruiting services for North Carolina businesses.

The North Carolina Community College System (NCCCS) and North Carolina's Department of Commerce developed NCWorks, a free, customized job training and recruiting program for new and expanding businesses. NCWorks offers comprehensive training via NCCCS's extensive catalog of established programs as well as customized curricula tailored to address specific needs.



Research Parks

Seven Research Parks Statewide

Concentrated research & development activity boost innovation.

North Carolina is home to seven research parks across the state, including Research Triangle Park (RTP), the largest research park in the U.S. RTP hosts more than 200 of the world's most innovative companies and 50,000+ employees. North Carolina's research parks facilitate research & development across a variety of sectors, including information technology, cleantech, food manufacturing, biotechnology & pharmaceuticals, textiles, and advanced manufacturing.



Military Workforce

4th Largest Military Population in the United States

A ready-made workforce with in-demand skills.

North Carolina's military bases host the 4th largest active duty military population in the U.S. An anticipated 78,000 military personnel will be re-entering the civilian workforce through 2018. These individuals will have in-demand occupational skills and relevant work experience. More than 82% will be 30 years-old or younger.

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North Carolina has been a **strategic partner** to Red Hat for more than a decade. The **talent base we've been able to attract** headquartered in this state has been phenomenal.

Jim Whitehurst,
President and CEO, Red Hat

4.9 Million Workers

4.9 million workers make up North Carolina's growing labor force.

108,800 Degrees

North Carolina's higher education institutions conferred more than 108,800 associate's, bachelor's, master's, and doctoral degrees in 2014.

#2 STEM

North Carolina colleges & universities confer 20,500+ Science, Technology, Engineering, and Math degrees & certificates annually, the second highest number of STEM completions in the Southeastern U.S.

460,000+ Manufacturing Employees

With 460,000+ employees, North Carolina has the largest manufacturing workforce in the Southeastern U.S.

37,000+ Engineers

More than 37,000 engineers work in North Carolina.

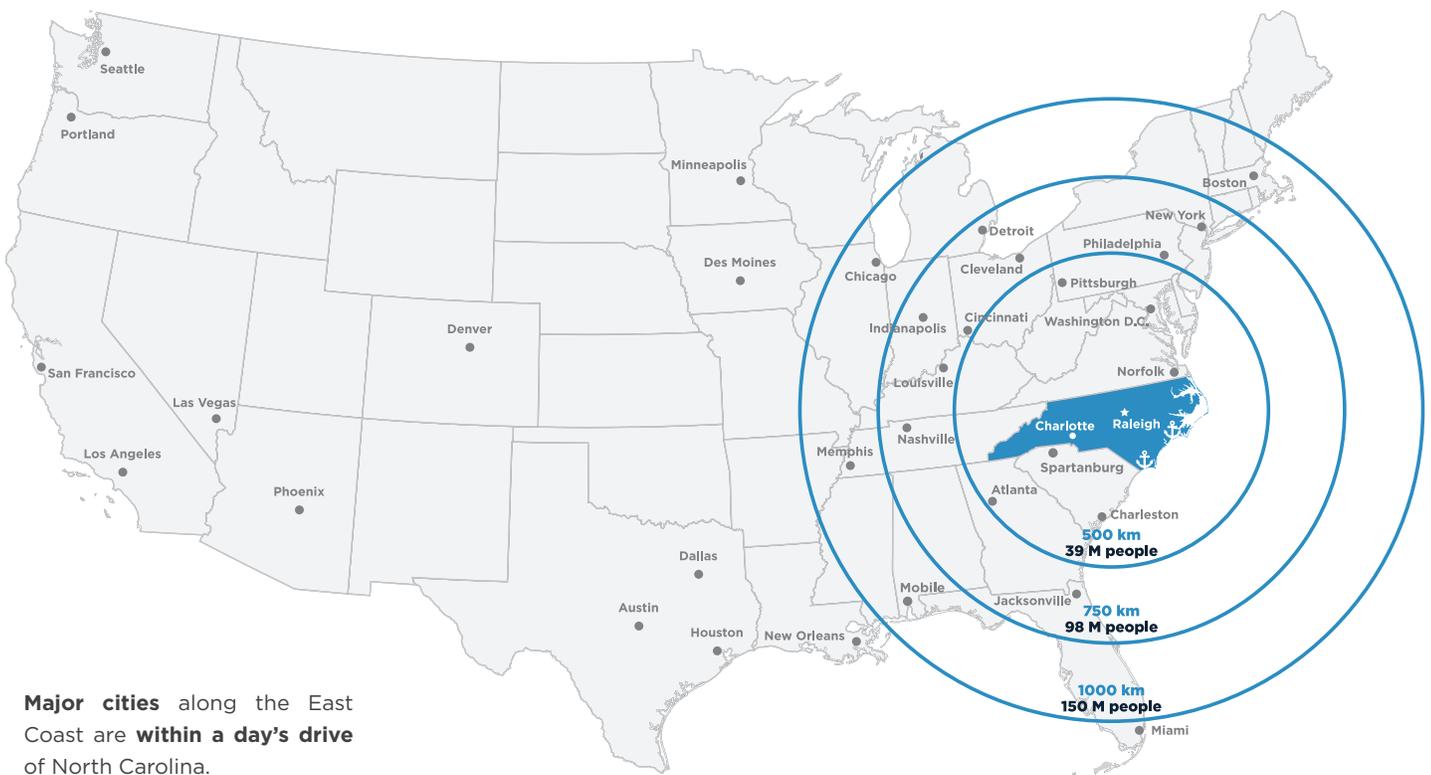
MARKET ACCESS & TRANSPORTATION INFRASTRUCTURE

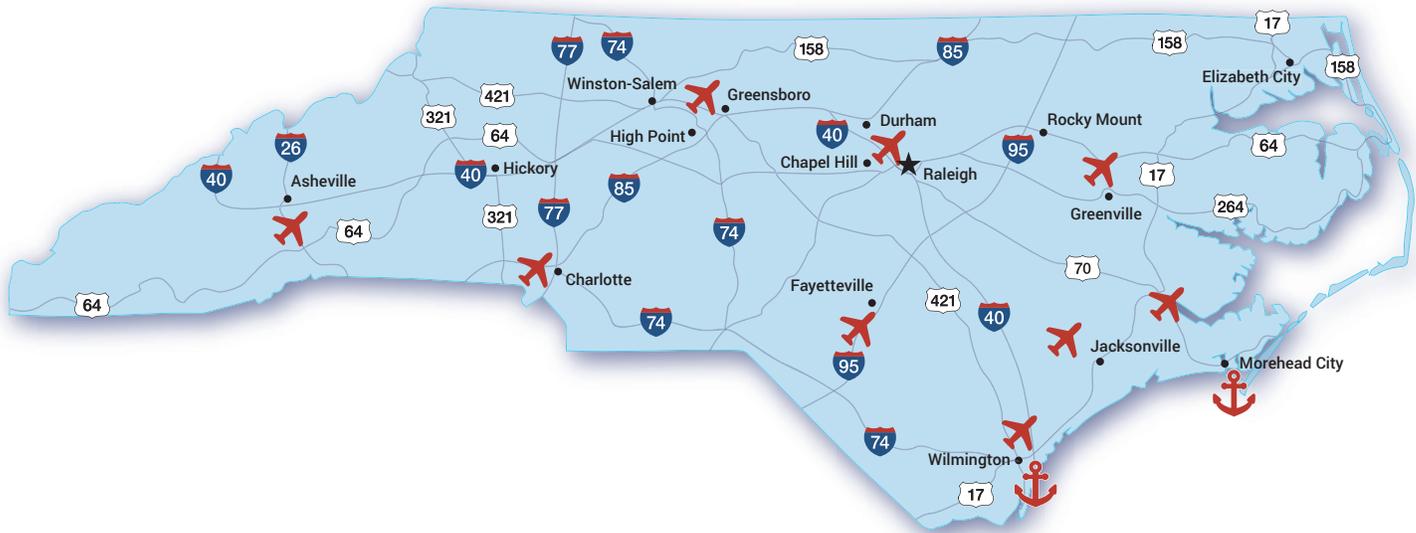
North Carolina's robust transportation infrastructure connects companies to domestic and international markets. Four international and eleven regional airports connect North Carolina to major cities in the U.S. and abroad. North Carolina also has the second largest state-owned highway system and major controlled-access

arteries such as I-95 (running the length of the East Coast), I-85, and I-40 (running from NC to California). Two deepwater seaports and an integrated rail system ensure that North Carolina companies stay connected to suppliers and customers.

North Carolina was chosen for the **location**, for the **utility and transportation advantages**, and the state contains an exceptional workforce. In addition, we can service our customer base quicker and provide more **cost-effective transportation**.

Gerardo Muraira,
Operations Director, Nutec Group





PORTS

North Carolina has two deepwater seaports:

North Carolina's ports offer fast turn times and capacity for ships carrying up to 7,000 TEUs (soon to be 10,000 TEUs). Inland terminals in Charlotte and Greensboro provide easy market access.

Port of Wilmington

- General cargo and bulk handling facility
- Inside harbor channel depth of 42 feet M.L.L.W.
- 101,000-square-foot on-terminal cold storage facility

Port of Morehead City

- Container and general cargo operations
- Inside-harbor channel depth of 45 feet M.L.L.W.



ROADS

Second-largest state-owned highway system:

North Carolina's roads stretch for more than 90,000 miles (145,000 km). The state's central East Coast location offers easy access to the country's most important transportation corridors.

Major controlled-access arteries include:

- I-95, running the length of the East Coast
- I-40, linking North Carolina to California
- I-85, stretching through the manufacturing heart of the Southeast



AIR

The world's sixth-busiest airport is located in Charlotte:

North Carolina offers nonstop service and easy connections to major domestic and international destinations.

Four international and 11 regional airports provide easy access to domestic and global markets. International airports include:

- Charlotte-Douglas International Airport (CLT)
- Piedmont Triad International Airport (GSO)
- Raleigh-Durham International Airport (RDU)
- Wilmington International Airport (ILM)



RAIL

Largest consolidated rail system in the country:

North Carolina's rail connections extend to key markets in the South, East, Midwest, and Canada.

Rail system highlights include:

- More than 3,200 miles (5,100 km) of track
- Two Class 1 carriers: CSX Transportation and Norfolk Southern
- Class 1 service to 22 states in the U.S.
- 19 short-line railroads
- Six intermodal terminals and rail hubs



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