



# 2017 Annual Report

Economic Development Partnership of North Carolina



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Office of the Governor  
State of North Carolina

Roy Cooper  
Governor



20301 Mail Service Center  
Raleigh, N.C. 27699-0301

When I took office last January, I focused on ensuring that North Carolina's economic development efforts had a clear and coordinated path forward with the resources necessary to succeed.

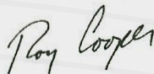
As the CEO of North Carolina, my mission statement is that our people are better educated, healthier, have more money in their pockets, and are given the opportunity to lead a more abundant and purposeful life. That's why it's important that our state's economic development strategies are not only competitive in a rapidly changing market, but that they also well-aligned and working for the benefit of all of North Carolina.

Over the last year, my administration, the North Carolina Department of Commerce, and the Economic Development Partnership of North Carolina (EDPNC) have celebrated numerous big wins together, including:

- The repeal of HB2 and the resulting return of business and tourism stability to our state.
- Tens of thousands of jobs announced last year – more than in any year in over a decade.
- North Carolina's rise to Forbes' #1 Best State for Business, in addition to top rankings from CNBC, Area Development, Chief Executive Magazine, Site Selection Magazine, and many others.
- Record levels of visitor spending in North Carolina, helping to sustain more than 211,000 jobs in our travel and tourism industry.
- Bipartisan collaboration with the General Assembly on essential economic development legislation, including new "transformative project" incentive laws for companies making large capital investments and creating significant numbers of jobs in North Carolina.
- A robust export economy – According to Brookings' Export Monitor, over 370,000 jobs statewide are supported by exports of goods and services.
- North Carolina's emergence as one of the top states in the South for startup activity, and one of the fastest-growing states for women-owned businesses. Our state wants innovators and entrepreneurs.
- Supporting the growth of our rural communities through new business recruitment and expansion, including Triangle Tyre's selection of Eastern North Carolina for an 800-job, \$560 million facility, the largest manufacturing investment in rural North Carolina to-date.
- Showing the world that North Carolina is a growing state that values education, talent, hard work and diversity.

Economic development – be it business recruitment, international trade, or tourism – is truly a team sport. No success is ever accomplished without continued collaboration among a concert of state, regional, and local partners in the public, private, and non-profit sectors.

I appreciate the ongoing efforts of the EDPNC as an integral part of that broader team, and with strong leadership in place at the Board and staff of the EDPNC, I'm more confident than ever that – together –we are taking great strides towards a more prosperous North Carolina for everyone.

  
Governor Roy Cooper  
State of North Carolina



# Executive Letter



A blue ink signature of Frank E. Emory, Jr.

**Frank E. Emory, Jr.**  
*Chairman of the Board*  
*Economic Development Partnership of North Carolina*



A blue ink signature of Christopher Chung.

**Christopher Chung**  
*Chief Executive Officer*  
*Economic Development Partnership of North Carolina*

Dear EDPNC Investors,  
Partners and Stakeholders,

In several key areas in 2017, the Economic Development Partnership of North Carolina notched its best year since opening its doors in 2014.

Our business recruitment and existing industry teams, working with our partners, helped close deals for new and expanded corporate facilities expected to create nearly 20,000 new jobs in the state – a 34 percent increase over 2016 results. Notably, jobs recruited to North Carolina’s rural counties increased by 42 percent – to more than 7,700 in 2017.

Tourism, exports, and entrepreneurship – additional pillars of statewide economic development that we support – posted strong gains in 2017.

North Carolina hotels and motels once again drew record room bookings and revenue. Companies our trade division assisted reported a higher volume of foreign sales. Our small-business counselors handled more cases overall. They significantly increased their outreach to Latino entrepreneurs while continuing to target other minority-, women-, and veteran-owned startups and rural entrepreneurs.

None of this would have been possible without our impressive constellation of partners – local and state, public and private. Accordingly, this message is one big “Thank You” – to all the members of the state’s powerful and diverse economic development team, especially Governor Roy Cooper, North Carolina Secretary of Commerce Anthony M. Copeland, and the leadership of the North Carolina General Assembly.

Team North Carolina also includes local and regional economic development groups, agencies and organizations dedicated to everything from

workforce development to transportation infrastructure, and myriad private-sector partners.

The team encompasses local tourism offices, many of which participate in the EDPNC’s cooperative marketing program dedicated to increasing visitation to every corner of the state. Our partners’ record level of investment in that program in 2017 demonstrates confidence in our joint marketing and advertising initiatives.

The team even extends to the state’s 10 million residents, who support the EDPNC through the public funds

we receive. And it includes corporate and other private investors whose generous support has supplemented our state budget since October 2014.

That’s when the EDPNC assumed key economic development responsibilities on behalf of the state, including: recruiting new industry; supporting the growth of existing North Carolina employers; helping manufacturers sell more exports; counseling entrepreneurs and small-business startups; and promoting North Carolina as a premier destination for tourism, retirement, and film production.

We proudly share with our partners credit for the successes outlined in our 2017 Annual Report, which also includes detailed case studies that illustrate how partnership and teamwork underscore each and every one of the state’s economic development wins.

We look forward to even more success in 2018 as we work together with our many partners to advance sustainable job growth and investment in communities throughout North Carolina.

# Our Board

## Two New Leaders Join The Team

In 2017, the Economic Development Partnership of North Carolina Board of Directors welcomed a new chairman and board member.

In May, Governor Roy Cooper appointed Charlotte attorney Frank E. Emory, Jr., to the chairman's position. The governor's second board appointment arrived in December – former Rockingham mayor and state senator Gene McLaurin.

Since taking the board's helm, Emory's priorities have included exploring new ways the EDPNC can support economic growth in the state's rural communities. In 2017, Emory asked board member Mike Hawkins to spearhead those efforts.

Hawkins brings firsthand knowledge of rural North Carolina to the task. He is a Brevard native, member of the Transylvania County Board of Commissioners, and president of Pisgah Enterprises in Transylvania County.

Hawkins now heads the recently formed EDPNC Rural Working Group. The group of

EDPNC board members and staff will advise the board on how the EDPNC can expand its existing work supporting economic development in rural North Carolina.

Other board members in the Rural Working Group include Emory; McLaurin; David Craven, Vice President for Business Development at Fidelity Bank in Ramseur; Caleb Miles, President and Chief Executive Officer of the Pinehurst, Southern Pines, Aberdeen Area Convention & Visitors Bureau; Mark Zimmerman, owner of RE/MAX Winning Edge in Chapel Hill; and Sheila Pierce Knight, Executive Director of Jacksonville Onslow Economic Development.

Emory, a Charlotte-based partner specializing in complex commercial litigation at the Hunton & Williams law firm, and McLaurin, president of Swink-Quality Oil & Gas Co. in Rockingham, are the latest additions to a board that provides critical strategic direction to the EDPNC while demanding accountability from the partnership's executive leadership and

staff. The board, for example, has established performance metrics for each EDPNC business unit and employee.

The board, which comprises industry and economic development leaders from throughout the state, brings deep private-sector expertise to its oversight of the EDPNC.

Board members work and live in a diverse mix of rural and urban counties across the state, including Beaufort, Forsyth, Guilford, Mecklenburg, Moore, Onslow, Polk, Randolph, Richmond, Rockingham, Transylvania, and Wake.

Nine members are appointed by the Governor, four by the state Speaker of the House and four by the state Senate President Pro Tem. The board, whose members serve staggered terms, meets four times a year in sessions open to the public at EDPNC offices in Cary or in other locations around the state.

The EDPNC is excited to head into 2018 with the continued leadership of a board whose guidance has been critical to our success.



**Chairman**  
**Frank E. Emory, Jr.**  
*Partner,  
Hunton & Williams*



**Vice Chairman**  
**Jim Whitehurst**  
*President and CEO,  
Red Hat*



**Secretary/Treasurer**  
**John Kane**  
*Founder and CEO,  
Kane Realty Corporation*



**Marie Flow Arcuri**  
*Dealer Principal,  
Flow Lexus*



**Mark Bellissimo**  
*Managing Partner,  
Tryon Equestrian Partners*



**David Craven**  
*Vice President,  
Fidelity Bank*



**Mike Hawkins**  
*President,  
Pisgah Enterprises*



**Sheila Pierce Knight**  
*Executive Director,  
Jacksonville-Onslow  
Economic Development*



**Vimal Kolappa**  
*Founder,  
East Coast Hospitality*



**Thomas Looney**  
*Retired VP and GM,  
Lenovo North America*



**Pleas McMichael**  
*Retired Textile Executive  
and Exporter*



**Gene McLaurin**  
*President,  
Swink-Quality Oil & Gas Co.*



**Caleb Miles**  
*President and CEO,  
Convention & Visitors  
Bureau for Pinehurst,  
Southern Pines, Aberdeen*



**Robert Singer**  
*Partner and Attorney,  
Brooks Pierce McLendon  
Humphrey & Leonard*



**Jeffrey Turner**  
*Vice President and COO,  
Murphy Family Ventures*



**Mark Zimmerman**  
*Owner,  
RE/MAX Winning Edge*



# ment Business Recruit



While the Charlotte and Raleigh areas continued to draw large job-rich projects in 2017, the year included numerous major projects locating in North Carolina's more rural counties.

## Project Wins Promise Nearly 20,000 New Jobs

With companies announcing they would create nearly 20,000 new jobs in the state, 2017 marked a banner year for a statewide team including the Economic Development Partnership of North Carolina.

That's the highest number of jobs the EDPNC has helped recruit to the state in a single year – and a hefty 34 percent increase over 2016.

In 2017, the EDPNC's business recruitment and existing industry teams, working jointly with our public and private partners, helped close deals on 150 projects – resulting in the announcement of 19,999 new jobs in North Carolina and \$4.14 billion in investment.

In 2016, by comparison, we and our local and state economic development partners supported 139 projects that brought commitments of 14,944 new jobs and \$3.8 billion in new capital investment. In 2015, the EDPNC's first full year of operation, those tallies were

97 projects, 13,357 new jobs, and \$3.3 billion in investment.

The largest deals by jobs announced included Allstate Insurance's 2,250-job expansion in Mecklenburg County; India-based technology consultant Infosys' new 2,000-job hub in Wake County; and banking giant Credit Suisse's 1,200-job expansion in Wake County.

Project wins and their impact unfold over several years, as companies pursue their announced hiring and investment targets. Meanwhile, each year our team of eight statewide business recruiters aggressively recruits new companies to North Carolina while also courting larger-scale expansions by companies already operating here. Equally important, our existing industry team of eight regional project managers supports the growth of existing companies, including many small businesses.

**150**  
Projects Won by EDPNC and Our Partners in 2017

**19,999**  
New Jobs Announced in 2017

**34%**  
Increase in Number of Jobs Announced Over 2016





**Pictured:** Gov. Roy Cooper announces Allstate's 2,250-job expansion of its Charlotte operations center.

"Together, the deals we helped close in 2017 have resulted in a one-third increase in job announcements over the year before – that's 5,055 more jobs," said David Spratley, EDPNC Vice President of Business Recruitment and supervisor of EDPNC's statewide business recruiters.

"While the largest continued to be corporate office-related projects drawn to urban areas such as Charlotte and Raleigh, one real difference about 2017 is that we also had several major projects locate in our more rural Tier 1 and Tier 2 counties."

The state-designated tiers measure the economic well-being of all 100 counties in North Carolina, to help focus efforts to support job growth. Tier 1 indicates the 40 most economically distressed counties, Tier 2 the 40 counties in the middle, and Tier 3 the 20 least-distressed counties.

In 2017, 93 project wins in Tier 1 and 2 counties called for 7,754 new jobs and \$2.9 billion in new capital investment. That surpasses 2016, when 92 wins resulted in 5,443 announced new jobs and \$2.34 billion in announced investment. In 2015, 59 announced projects were located in Tier 1 and

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**Together, the deals we helped close in 2017 have resulted in a one-third increase in job announcements over the year before.**

**David Spratley**

Vice President of Business Recruitment,  
Economic Development Partnership of North Carolina



2 counties, with companies planning 5,959 new jobs and \$1.5 billion in investment.

In 2017, the largest wins in Tier 1 and 2 counties included Chinese tire maker Triangle Tyre's 800-job, \$580 million manufacturing facility in Edgecombe County; German health care company Fresenius Kabi's 445-job plant expansion in Wilson County; and Virginia-based PRA Group's 500-job call center in Alamance County.

There's also Austria-based Egger Wood Products' plan to invest \$300 million in a new Davidson County plant, hiring 400 people over the next six years. Over 15 years and subsequent phases, Egger expects to invest \$700 million and employ 770 people overall at the plant.

Availability of industrial sites helped boost project

activity in rural counties in 2017, according to Spratley. Egger and Triangle Tyre are the first major developments, respectively, at the I-85 Corporate Center in Tier 2 Davidson County and the Kingsboro Megasite in Tier 1 Edgecombe County.

While Spratley's team of business recruiters serves as the primary point of contact for companies considering locating or expanding facilities in North Carolina, the EDPNC relies on local and regional partners to help identify and present the best site options to companies. To strengthen that partnership, and our recruiters' firsthand knowledge of the entire state, two years ago we began our NC 100 initiative.

NC 100 sends our full team of business recruiters on one- to three-day visits to regions across the state

(the March 2017 event in the Research Triangle region is pictured above). In 2017, all 100 counties were invited to attend the nearest regional NC 100 event, held in Durham, Asheville, Hickory, Elizabethtown, Greensboro, Williamston and Charlotte. Seventy-nine counties overall participated. County officials presented updates about their available buildings, sites, and quality-of-life assets, while building stronger relationships with the EDPNC.

"A lot of great information is shared on both sides," Jennifer Lantz, Executive Director of the Wilson Economic Development Council, said of the NC 100 events. "It allows all the local developers, whether you have lots of projects or a few projects, to become better partners with the EDPNC."



# A New Plant And Up to 770 Jobs

## Egger: One of the Biggest Deals Ever for The Triad

Egger Wood Products, a leading European supplier of wood-based furniture and interior design materials, is launching one of the largest capital investment projects in the history of North Carolina's Triad region.

In 2017, the family-owned company based in St. Johann, Austria, announced plans to invest up to \$700 million in a composite panel plant in Davidson County that could grow to 770 employees in 15 years at full production.

Egger researched 50 sites for its first U.S. plant before narrowing its choices to locations in North Carolina, Georgia and South Carolina. It was a tight competition,

but state and local partners including the Economic Development Partnership of North Carolina, the Davidson County Economic Development Commission and the North Carolina Department of Commerce worked together to convince the company that the best choice was the I-85 Corporate Center industrial site southwest of Lexington.

The plant's first phase, supported by state and local incentives, will bring 400 jobs and \$300 million in investment to Davidson County over the next six years. The company expects to invest another \$400 million and create 370 more jobs in subsequent phases.



The plant will initially produce raw particle board and thermally fused laminate (TFL) board. Egger plans to continuously add manufacturing capacity for TFL board as its North American market grows, according to Karl Grasser, who led Egger's search for a U.S. location.

Egger's laminated panels come in a wide variety of decorative surfaces used



**We train about 250 young adults every year in our Egger locations, where they learn a profession and earn a degree.**

**Karl Grasser**

Leader of Egger's site search for its first U.S. plant

**Pictured:** Karl Grasser, who led Egger Wood Products' search for its first U.S. plant site, displays some decorative surfaces found in Egger's laminated panels. Egger's new Davidson County plant will initially produce raw particle board and thermally fused laminate (TFL) board, adding additional TFL capacity as its North American market grows.

Photo courtesy of ©EGGER / Christian Vorhofer





in furniture, countertops, cabinets and more. The surfaces and matched edging cater to its furniture and interior design industry customers who include architects, designers, wholesalers and manufacturers. Buyers’ choices range from solid-color board with high-gloss or smooth matte finishes, to boards with the appearance of granite, concrete and metal or the look and feel of wood.

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**Our goal is to position ourselves as one of the leading brands for wood-based solutions in the U.S., as we are already in Europe.**

**Walter Schiegl**  
Chief Technology Officer, Egger

“Our goal is to position ourselves as one of the leading brands for wood-based solutions in the U.S., as we are already in Europe,” Egger Chief Technology Officer Walter Schiegl said when he announced the new plant.

A year earlier, Grasser first contacted Ryan Nance, EDPNC Business Recruitment Manager, to discuss North Carolina as a potential location. Egger knew North Carolina offered a prime

central East Coast location within two days’ truck drive of most of the U.S. population. But the company also had very exacting site requirements.

They included access to a reliable supply of wood chips, sawdust and slab pieces – sawmill byproducts that are the raw material of particle board. Egger also needed an industrial site with 200 flat-as-possible acres and no wetlands, redundant electric power capacity, a

**Pictured:** The Egger Group is headquartered in St. Johann in the Tyrol province of Austria. The company has 17 plants in seven European countries and one in Argentina, plus new plants being built in North Carolina and Poland.

*Photo courtesy of ©EGGER / Christian Vorhofer*



high-pressure natural gas connection, and onsite rail service.

The company also valued workforce development support. Davidson County Community College will be a key partner there. For example, “we have an apprenticeship program in our company where we train about 250 young adults every year in our Egger locations, where they learn a profession and earn a degree,” Grasser said. “This is also something we want to implement in the U.S.”

From the outset, Nance focused on understanding the company and its priorities. “Ryan found out who we are, what we do in our first conversations” Grasser said. “He was a great help in finding possible sites in North Carolina and getting us their data, facilitating meetings and contacts.”

The EDPNC, for example, arranged meetings between Egger and North Carolina State University forestry experts and Mount Gilead, N.C.-based Jordan Lumber & Supply, to convince Egger that the area’s timber industry could supply enough wood byproduct for the large plant.

In addition, Nance, state Commerce Secretary Anthony M. Copeland and Steve Googe, then head of the Davidson County Economic Development Commission, visited Egger’s

headquarters in St. Johann. Egger has 17 plants in seven European countries, one in Argentina, plus the one being built in North Carolina and another in Poland.

“Despite being a large company, they are family-oriented in terms of how they take care of their employees,” Nance said of his visit. “I was also struck by how clean their manufacturing facilities are, their sustainable business practices, their partnership with the local community.”

As Egger’s focus turned more to the I-85 Corporate Center, Googe led efforts to close the deal. His partners included the EDPNC, the N.C. Department of Commerce, the N.C. Department of Transportation, the Davidson County Board of Commissioners, the city of Lexington, Davidson Water Inc., Duke Energy, Norfolk Southern Railroad, the North Carolina Railroad Company and the Golden LEAF Foundation.

The North Carolina Railroad Company, for example, is investing \$3.5 million to connect the Davidson County site to Norfolk Southern’s mainline, providing Egger and any future tenants critical access to freight rail service.

“It also took an incredible partnership with Duke Energy,” said Craig Goodson, who succeeded Googe after he retired as head of the local economic development commission. “They stepped

in to reroute a major transmission line at the site so that Egger could locate there.”

Egger is the first major development at the 430-acre, county-owned I-85 Corporate Center, where the company

plans to ultimately build on 200-plus acres.

The Egger project “accelerated all the infrastructure that needed to be extended to the park,” Goodson said. “Now we have three lots, each one between

50 and 90 acres, that are available to other users. Egger is a great company. So the goal is to be patient and attract two or three more companies that will provide that same type of employment opportunity in Davidson County.”

“

**Egger is a great company. So the goal is to be patient and attract two or three more companies that will provide that same type of employment opportunity in Davidson County.**

**Craig Goodson**  
President/CEO,  
Davidson County Economic  
Development Commission



# Answering The Call

## Working Together to Win a 2,000-Job Tech Hub

When your job is marketing the state to new businesses, there are some calls you're happy to take – even on your day off.

Christopher Chung, Chief Executive Officer of the Economic Development Partnership of North Carolina (EDPNC), was enjoying a well-deserved Friday off in February 2017 after attending a conference in San Diego when he got the call from North Carolina state Senator Jay Chaudhuri.

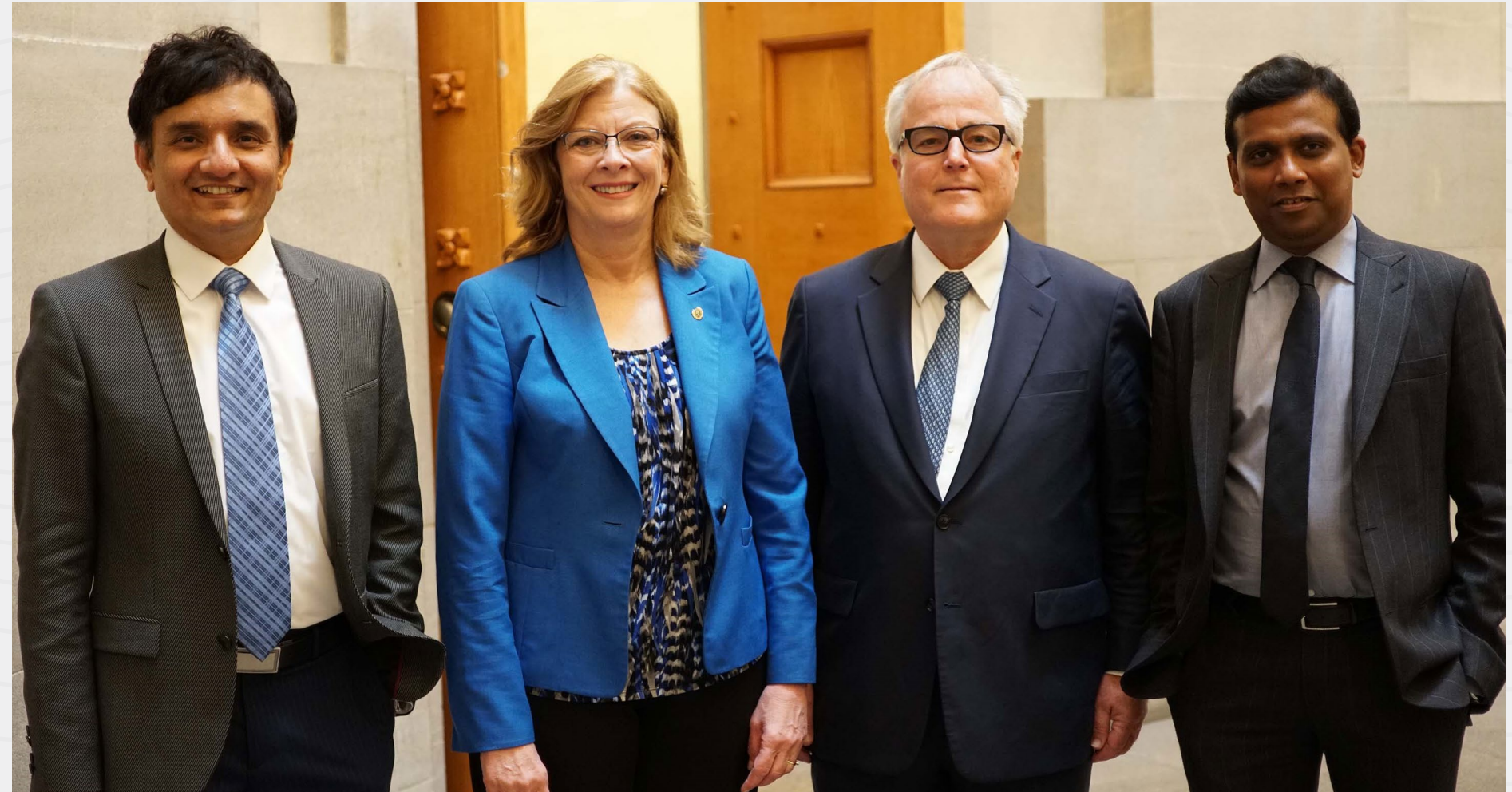
"He said, 'I know this gentleman from a company exploring expansion opportunities throughout the United States, and North Carolina is on their radar. I'd love to help make an introduction,' " Chung recalled.

Five months later, Infosys, a leading global technology consulting company

headquartered in Bangalore, India, announced it had chosen North Carolina's Research Triangle region for an \$8.73 million innovation and technology hub. In terms of employment, the Raleigh hub – expected to grow to 2,000 employees by 2021 – is one of the largest economic development wins in Wake County's history.

Chaudhuri introduced Chung to Anurag Varma, Infosys Vice President of Global Government Affairs, who was overseeing the company's search to establish four U.S. innovation and technology hubs that will ultimately employ 10,000 American workers. The introduction was part of an effective team effort that landed one of the hubs in North Carolina, as Virginia, Texas, Georgia and other states joined the competition.

"The EDPNC, the Greater



Raleigh Chamber of Commerce and our other partners spent a lot of time to understand exactly what Infosys wanted to accomplish and how to make the best possible case – not just for the state, but for the region and community," Chung said.

The four hubs will advise Infosys' U.S. corporate clients on how to leverage emerging technologies in areas such as digital transformation, cloud infrastructure, artificial intelligence, cybersecurity

“

**The partnership between our city and Infosys will boost innovation and benefit businesses, schools, and workforce development.**

**Nancy McFarlane**  
Mayor of Raleigh

**Pictured:** In September 2017, Infosys announced Raleigh would be the home of its North Carolina Technology and Innovation Hub. Pictured from left to right are Infosys Chief Financial Officer M.D. Ranganath, Raleigh Mayor Nancy McFarlane, North Carolina Commerce Secretary Anthony M. Copeland, and Infosys President Ravi Kumar.



“

Literally, the teamwork was amazing.

Anurag Varma  
Vice President of Global Government Affairs, Infosys

and big data and analytics.

Infosys' search priorities included locations that had a thriving IT sector, a strong academic ecosystem, and existing Infosys client clusters.

“Workforce was one the biggest concerns, since they would be hiring 2,000 here,” said Garrett Wyckoff, the EDPNC Senior Business Recruitment Manager who supported the project on the state’s behalf. “It was more about talent acquisition at

the beginning, including their making sure they could get people to move here.”

As the company’s interest in North Carolina narrowed to the Triangle, the EDPNC and its local partners at the Raleigh Chamber of Commerce and Wake County Economic Development (WCED) arranged roundtable discussions that focused on the experience of corporations already located in Wake County and the area’s educational ecosystem.



Wyckoff said Infosys “was very impressed with the company partners” that the Raleigh Chamber and the WCED lined up to speak with Varma and Infosys President Ravi Kumar. The business roundtable discussions included local executives from contract research company QuintilesIMS (recently rebranded as IQVIA), Wells Fargo, software company Citrix and Kane Realty Corporation.

“They gave us insights about their operations on the ground, and their experience of living there,” Kumar said. “Infosys hires a lot of people out of schools, so [the hub location] had to be a place where a young professional who is starting his or her first job wants to stay. We got a great view of the cost of living, the strength of the school districts, the quality of housing, the vibrancy of the social ecosystem and more.”

“And what surprised us was the number of startups [in the Triangle],” Kumar added. “The startup system in fintech, pharma and clean energy are three big areas of investment for us. We’re fascinated by what the startup ecosystem can do

jointly with us.”

Universities and community colleges are one of “three feeders” for the American workforce Infosys needs for its U.S. hubs, Kumar said. “We are going to hire experienced talent. We are going to hire from schools and colleges and use the best-in-class training structure of Infosys to build a workforce – with a very intense training of eight to 12 weeks. And the third feeder will be refactoring and repurposing talent from adjacent and legacy areas.”

To showcase the role the Triangle’s universities and colleges can play, the EDPNC arranged a meeting with officials from the North Carolina Community College System, Wake Technical Community College, North Carolina State University and William Peace University. “We found the academic ecosystem exceptional,” Kumar said.

Wake Technical Community College will partner with Infosys on workforce development for the Raleigh hub. The 72,000-student college has multiple campuses, including a new Research Triangle

Park location focused on advanced technical programs and customized workforce training for corporations in Wake County.

The Triangle region also has three tier-one research universities – N.C. State, Duke and the University of North Carolina-Chapel Hill. N.C. State’s master’s in analytics program could supply some of the talent for the Raleigh Infosys hub, which will likely specialize in big data and focus on serving companies in the financial services, pharmaceutical and industrial manufacturing industries.

During three visits to North Carolina, Infosys executives also met with local and state officials including Gov. Roy Cooper and Commerce Secretary Anthony M. Copeland. At one point, the governor helped refocus Infosys on North Carolina when a competing state moved forward in its bid for the hub.

Both Kumar and Varma were struck by the public- and private-sector teamwork that helped North Carolina and Wake County land the second Infosys hub.

“What really fascinated me was the collaboration between the local chamber of commerce, the economic development partnership, the office of the governor and the proactive support the government gave us,” Varma said. “Literally, the teamwork was amazing.”

**Pictured:** Wake County Economic Development hosted a September 2017 panel discussion on how the Infosys project was won. Panelists included, from left: Tom White, Director, Economic Development Partnership, N.C. State University; state Sen. Jay Chaudhuri; Anurag Varma, Infosys Vice President of Global Government Affairs; Tom Looney, Chairman of the Wake Technical Community College Board of Trustees (and EDPNC board member); and Christopher Chung, Chief Executive Officer, Economic Development Partnership of North Carolina.



# Anatomy of a Project

## How a Team of Partners Brought Triangle Tyre and 800 Planned Jobs to Edgecombe County

**The Client:** Triangle Tyre, China-based tire manufacturer looking to expand into the U.S.

**Site Selection Consultant:** Deloitte team based out of Chicago

**Competing States:** Mississippi, Alabama, Georgia, Arkansas, Tennessee, S. Carolina, Texas, Virginia

- Team North Carolina:**
- Governor Roy Cooper
  - EDPNC: Business Recruitment and China Office (Evan Stone, David Spratley, Annabel Rong)
  - N.C. Department of Commerce
  - Carolinas Gateway Partnership
  - Appian Engineering
  - Dominion Energy
  - CSX Transportation
  - North Carolina Railroad Company (NCRR)
  - Edgecombe County
  - Edgecombe Community College
  - N.C. Department of Transportation (NC DOT)
  - N.C. Community Colleges
  - Golden LEAF Foundation

### The Process

Mar. 10  
2017

EDPNC Business Recruiter Evan Stone receives an email about an international tire-manufacturing project from Deloitte’s site-selection team in Chicago. Stone had an existing relationship with this team from a previous tire manufacturing project.

Mar. 13  
2017

Stone receives the company’s request for information (RFI) and contacts local economic development organizations across North Carolina to identify viable site locations.

Mar. 17  
2017

Eleven North Carolina counties submit sites to Deloitte for consideration. They include Edgecombe County, Randolph County, Burke County, Davidson County, Wilson County, Granville County, Henderson County, Chatham County, Northampton County, Brunswick County and Lee County.







Mar. 23  
2017

Deloitte conducts its first visit to the Kingsboro megasite in Edgecombe County, as well as the site in Burke County.

Apr. 10  
2017

The Deloitte team notifies Stone that it is proceeding with the Kingsboro megasite in Edgecombe County.

Apr. 27-28  
2017

The due diligence visit: This is a critical step for an advanced manufacturing greenfield project. This is when site-selection consultants connect with every partner and organization that would touch the site in preparation and execution of the project. This meeting included NCDOT, NCRR, CSX, Appian Engineering, Piedmont Natural Gas and Dominion Energy, among others.

Additionally, during this meeting the Deloitte team connected with the North Carolina community college system, local manufacturers and staffing agencies in the area to discuss HR and workforce development-related topics. For this part of the meeting, the Deloitte team met with automotive component makers Cummins Inc. and Keihin Corporation, as well as Pfizer, Tyson Foods and the QVC Distribution Center. Deloitte also met with representatives from Edgecombe Community College.



May 3  
2017

May 11  
2017

June 4-9  
2017

June 21  
2017

Late Aug.  
2017

Dec. 19  
2017

A potential issue with the Kingsboro site was identified but rectified quickly. For Triangle Tyre to receive power from Dominion Energy, the site concept had to be within 300 feet of the Dominion right-of-way, which was located on the northeastern portion of the site. Stone worked with Appian Engineering and the Deloitte team to present four different site concepts that met Triangle Tyre's requirements and enabled it to receive power from Dominion Energy.

Deloitte sends an incentives request for proposal (RFP) to Stone asking that all funding partners (organizations providing incentives) complete it.

Stone, Annabel Rong of the EDPNC's China office, Secretary of Commerce Anthony M. Copeland and Norris Tolson, CEO and President of the Carolinas Gateway Partnership, travel to Weihai, China, to tour one of Triangle Tyre's manufacturing plants and meet with its leadership team, including Chairman Ding Yuhua.

The incentives visit: During this meeting, the Deloitte team met with all funding partners to review incentives piece by piece and begin the negotiating process.

After a few quiet months, Stone received a call from state Commerce Secretary Copeland informing him that the company had requested an incentive memorandum of understanding (MOU) and expressed its interest in coming to North Carolina. At this point, the N.C. Department of Commerce led efforts to develop the MOU and secure final approval for the incentives proposal.

Triangle Tyre officially announced its intent to locate its first U.S. manufacturing facility in Edgecombe County. The company will create 800 jobs and invest \$580 million in two tire plants at the Kingsboro megasite. Average salaries are expected to be about \$56,500 once all the positions are filled, well above the county average of \$32,640.

“

**These 800 jobs from Triangle Tyre are the kind of jobs we need now in Edgecombe County.**

Erica Smith  
N.C. State Senator





# A Breakdown of Our 150 Projects

The EDPNC and its partners helped close deals on 150 business recruitment and expansion projects in 2017, resulting in one of the highest tallies of state-supported job announcements in a decade. The project wins are expected to create the following in North Carolina over the next several years:

19,999

New Jobs

\$4.14 Billion

In New Capital Investment

\$1.1 Billion

In New Annual Payroll

## Foreign Direct Investment

9,169

Of Total Announced Jobs From Investment By Foreign-Based Companies

\$2.05 Billion

Of Total Announced Investment From Foreign-Based Companies

## New Facility Projects

13,332

Of New Jobs Connected To Companies Establishing New Facilities in North Carolina

\$2.05 Billion

Of Planned Investment Is Connected To Companies Establishing New Facilities

37%

Of Project Wins Are New Facilities In The State

## Expansion Projects

6,667

Of New Jobs are Companies Expanding an Existing North Carolina Facility

\$2.09 Billion

Of Planned Investment Is Connected To Expanding Existing Facilities In The State

63%

Of Project Wins Are Expansions Of Existing Facilities In the State

## 2017 New Facility and Expansion Projects

The EDPNC's business recruitment and existing industry teams work jointly with the state Department of Commerce, Governor's Office, local economic development organizations and other partners to support the growth of employment and capital investment in North Carolina. Here are highlights of announced projects the teams supported in 2017. The FDI (foreign direct investment) column indicates whether the company or its parent is foreign-based. Asterisks denote companies moving into the state for the first time or existing businesses adding another corporate facility or manufacturing plant here.

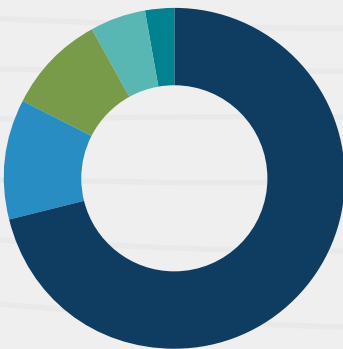
Company	County	Jobs	Investment	FDI
Triangle Tyre Co.*	Edgecombe	800	\$580M	Y (China)
Clearwater Paper Corporation	Cleveland	180	\$330M	N
Egger Group (Phase I)*	Davidson	400	\$300M	Y (Austria)
Fresenius Kabi*	Wilson	445	\$100M+	Y (Germany)
Pilgrim's Pride	Lee	350	\$117M	N
Smithfield Foods	Bladen	280	\$115M	Y (China)
Credit Suisse	Wake	1,200	\$65M	Y (Switzerland)
Tristone Flowtech*	Iredell	302	\$23.6M	Y (Germany)
Edwards Wood Products*	Scotland	91	\$50M	N
Continental Teves	Burke	160	\$40M	Y (Germany)
Advanced Superabrasives	Madison	47	\$26M	N
Allstate Insurance*	Mecklenburg	2,250	\$22.6M	N
MAS Capital*	Randolph	288	\$19.9M	Y (Sri Lanka)
AXA Financial Group	Mecklenburg	550	\$18M	Y (France)
Mako Medical Laboratories*	Vance	153	\$15.4M	N
Infosys*	Wake	2,000	\$8.73M	Y (India)
PRA Group*	Alamance	500	\$3.9M	N
Manual Woodworkers Weavers	Rutherford	77	\$1.45M	N



# A Closer Look By Industry in 2017

**New Facility vs. Expansion Projects by Industry**

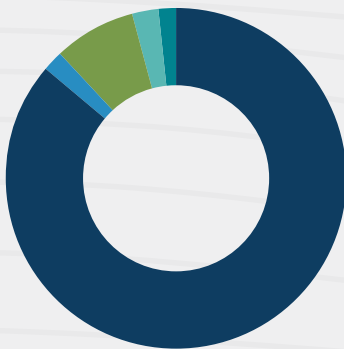
56 announced projects from new facilities and 94 from companies expanding existing facilities in North Carolina



- Manufacturing - 107
- Service/Sales - 17
- Warehouse/Distribution - 14
- Corporate Headquarters - 8
- Other - 4

**Announced Investment by Industry**

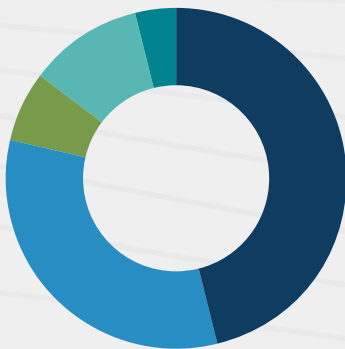
\$2.05 billion from new facilities and \$2.09 billion from companies expanding existing facilities in North Carolina



- Manufacturing - \$3.57B
- Service/Sales - \$87.2M
- Warehouse/Distribution - \$320.8M
- Corporate Headquarters - \$104.4M
- Other - \$61.66M

**Announced Project Jobs by Industry**

13,332 from new facilities and 6,667 from companies expanding existing facilities in North Carolina



- Manufacturing - 9,263
- Service/Sales - 6,473
- Warehouse/Distribution - 1,336
- Corporate Headquarters - 2,170
- Other - 757

**Active Project Pipeline**

As of Dec. 31, 2017, North Carolina was actively being considered for the following.\*

**\$19.4 Billion**  
Potential Capital Investment Connected to Projects in the Pipeline

**55,999**  
Potential Jobs Connected to Pipeline Projects

**292**  
Potential Business Recruitment or Expansion Projects

\*To illustrate our more typical pipeline activity, the figures do not include Seattle-based Amazon's publicly announced search for a second headquarters that could bring up to 50,000 jobs and \$5 billion in capital investment to the winning location. In January 2018, Amazon announced the Triangle region of North Carolina was among 20 finalist locations being considered.



**Pictured:** In December 2017, Gov. Roy Cooper and Ding Yuhua, Chairman of China-based Triangle Tyre Co., announced Triangle's decision to invest \$580 million in two tire manufacturing plants that will create 800 new jobs in Edgecombe County. These will be Triangle's first plants outside China.





Development

Business Development

Connecting with Companies on the Cusp of a U.S. Expansion

If you're an executive at a company looking to expand into the U.S., then it's a safe bet our business development team wants to meet you.

The Economic Development Partnership of North Carolina established the business development team two years ago to actively generate leads for business recruitment projects. Team members located in our Cary headquarters include Senior Business Development Manager Corey Howard, who focuses on generating leads for foreign direct investment by Asia-based companies, and Brad Helton, who cultivates leads in the defense industry. Business Recruitment Manager Laura Johnson Lee provides additional support by finding opportunities in the food-manufacturing industry.

The team, which also includes EDPNC foreign offices in Germany, China, Japan, and South Korea, identifies

international and domestic companies that may be poised for a U.S. expansion, connects with their leadership and then works to build relationships with those executives.

The relationship focuses on showing a targeted company how North Carolina offers strategic advantages specific to its needs and business model. Once an opportunity develops into an active project, the business development team introduces the company to an EDPNC business recruiter to present site options.

In 2017, the team identified 349 leads overall; 55 of those developed into active recruitment or expansion projects. That's an increase over 2016, when the team identified 329 leads and referred 39 qualified leads.

Finding the right companies and getting in front of them at the right time can be challenging. So, the EDPNC

uses a variety of tools and tactics to find companies on the cusp of expansion, including networking at industry conferences, trade shows, and other events in the U.S. and abroad.

In 2017, EDPNC business developers coordinated North Carolina's presence at the Automotive Engineering Exposition in Yokohama, Japan - an event that drew more than 560 companies including automakers, parts manufacturers, providers of cutting-edge technologies for smart cars and more.

North Carolina had sponsored a booth at the show for seven years. But in 2017 the business development team added a new twist to take advantage of the large crowd of automotive industry manufacturers and suppliers arriving early to attend. Two days before the event, EDPNC business developers held a "North Carolina Investment Seminar" in nearby Tokyo.

349  
Leads Generated by the International Business Development Team in 2017

55  
Project Leads Referred to EDPNC Business Recruiters





Representatives of nearly 100 automotive and other companies signed up for the seminar, which was co-sponsored by the Greensboro Chamber of Commerce. The seminar, conducted in Japanese, included a presentation by Aisin AW, whose Durham-based subsidiary AW North Carolina manufactures fully assembled automatic transmissions and components for many top Toyota vehicle models. Sumio Shibata, EDPNC's Tokyo-based representative, made a North Carolina megasite presentation.

As part of activities before and during the Yokohama automotive show, the business development team arranged for Japanese newspaper interviews with Christopher Chung, Chief Executive Officer of the EDPNC. As a result, articles appeared in high-profile Japanese business dailies including:

- The Nikkei, the world's largest financial newspaper with a print circulation of over 3 million
- Nikkan Kogyo Shimbun, a business and industrial affairs publication with a print circulation of 420,000
- Nikkan Jidosha Shimbun, an automotive industry publication
- Kagaku Kogyo Nippo, which covers the chemical industry

Other shows on the team's busy 2017 trade show calendar included the SelectUSA Investment Summit in Washington, D.C., which promotes the U.S. for foreign direct investment; the Paris Air Show, the world's largest event dedicated to the aviation and space industry; the Association of the U.S. Army Annual Meeting and Exposition in Washington, D.C.; and the National Business Aviation Association Convention and Exposition in Las Vegas.



**Pictured:** In 2017, representatives of nearly 100 Japanese companies attended a North Carolina Investment Seminar (below) held in Tokyo, arranged by the EDPNC and timed to complement the Automotive Engineering Exposition in nearby Yokohama. The EDPNC coordinated the North Carolina booth at the show (left)





# tion Business Promo

## Recruiting Corporate Leaders to Market North Carolina’s Business Assets

In 2017, the Economic Development Partnership of North Carolina launched the state’s first significant business recruitment advertising effort in several years, a campaign that included top executives of high-profile companies in North Carolina spreading the word about our superior business climate.

The foundation of the campaign required developing detail-rich feature stories about successful

**28,000**  
Number of Fortune Issues with NC-Focused Cover Wraps Sent to Corporate Leaders

**200%**  
Increase in EDPNC Website Traffic Generated by the Campaign

corporations in the state in four key industry sectors: aerospace, automotive, food processing and manufacturing, and plastics and chemicals. The target was C-suite level executives in those same industries in the U.S., Canada, Japan and South Korea.

The company profiles appearing on the EDPNC.com website were extensively leveraged through paid advertising over print and digital channels – including LinkedIn and digital media publisher SmartBrief – as well as through paid search (advertising within the sponsored listings of website search engines). The objectives included driving traffic back to EDPNC.com, and tracking those visits for possible leads for the EDPNC’s business recruiters.

Some of the same executives quoted in the corporation profiles – which featured Honda Aircraft, Sierra Nevada Brewing, GE Aviation, GF

Linamar, ProtoLabs, Thomas Built Buses, Sealed Air Corp., and Morinaga America Foods – also appeared on “cover wrap” ads folded around issues of Fortune magazine.

On eight occasions from March through August 2017, 3,500 issues featuring cover wraps graced by leaders of successful companies in North Carolina were delivered to C-suite-level executives in the U.S., Canada, Japan and Korea. The four-page cover wraps also included a letter from the governor and opportunities for local economic development organizations in the state to advertise at EDPNC cooperative marketing rates that were significantly less than the magazine’s standard rates.

The campaign also included the summer launch of new EDPNC.com website pages marketing four North Carolina megasites to large industrial users (including aerial video of each site and interactive

elements). Another part of the campaign was paid advertising promoting the state’s lowest-in-the-nation 3 percent corporate income tax rate.

State lawmakers provided the dedicated advertising and marketing funding that supported the campaign, and have approved similar funding for 2017-18.

“One significant result of the 2016-17 campaign was that it drove more than 600,000 visitors to the website, a more than 200 percent increase over the prior year,” said Michael Ebert, Vice President of Marketing at the EDPNC. “We have a great story to tell in North Carolina. This year’s dedicated business-advertising funding enabled us to share that story with the world more effectively than ever.”





# Sharing the Stage through Co-op Marketing

The EDPNC offers local economic development organizations valuable opportunities to join us in marketing their counties and the state as whole for new and growing companies.

In 2017, 42 local and regional, public- and private-sector partners paid to participate in their choice of activities offered through our business recruitment-focused cooperative marketing program. Partners met one-on-one with site consultants throughout the U.S., jointly participated in state booths at targeted industry trade shows, and networked with corporate influencers at VIP and hospitality events.

Also in 2017, the EDPNC provided a onetime opportunity for our partners to network with premier site consultants at the PGA Championship in Charlotte. In August, we brought 14 site consultants from Chicago, Dallas, Atlanta, New York/ New Jersey, Nashville and Greenville, S.C., to the high-profile venue. Partners paid a fee to join in activities centered around a chalet sponsored by the EDPNC, Charlotte Chamber of Commerce, Charlotte



Regional Partnership and Charlotte Regional Visitors Authority.

In addition to our Charlotte partners, 26 local and regional economic development groups participated in four days of events. Each full day included a networking breakfast; panel discussions; free-ranging roundtable discussions where one or two consultants sat with five to eight partners; and an evening reception and dinner. The participating partners represented more than 40 counties.

“It was well worth the cost,

and I had the least to gain because I don’t have an industrial park,” said Pat Corso, Executive Director of Moore County Partners in Progress. “For me the reward was strategic. I got great advice on what to focus on.”

Corso was told, for example, that site selectors rarely represent companies of fewer than 500 employees. So some of his roundtable talk centered on recruitment of family-owned and smaller companies and developing a smaller park or niche industry clusters.

The PGA event was unique



**Pictured:** The EDPNC coordinated the North Carolina booth (left) at the 2017 SelectUSA Investment Summit in Washington, D.C., which showcases the U.S. for foreign direct investment. Some of the booth participants (above, from left) included Kara Brown of the Lincoln Economic Development Association; Katy Parker of the EDPNC; Joe Hines of the Timmons Group Economic Development Practice; Sheila Pierce Knight of Jacksonville Onslow Economic Development (also an EDPNC board member); and Stuart Gilbert of Person County Economic Development.

to 2017, but the EDPNC is looking for similar opportunities in the future. The overview below summarizes our customary cooperative marketing activities and their results in 2017:

- The EDPNC took small groups of local and regional partners to different U.S. cities for one-on-one meetings with premier site consultants in Dallas, the San Francisco Bay area, Atlanta, Minneapolis, Chicago and cities in New York and New Jersey. 30 different partners participated.

- 32 different partners overall joined the EDPNC in nine events focusing on specific industry sectors, including the Paris Air Show; the Craft Brewers Conference and Brew Expo in Washington, D.C.; the SelectUSA Investment Summit in Washington, D.C. (showcasing the U.S. for foreign direct investment); the Retail Industry Leaders Association Supply Chain Conference in Orlando, Fla.; and the Automotive Engineering Exposition in Yokohama, Japan.

- The EDPNC brought site selection consultants and

other corporate influencers together with partners at VIP hospitality events including dinners at the Industrial Asset Management Council's twice-yearly forums; a reception and dinner at the Institute for Professionals in Taxation's Credits and Incentives Symposium in Chicago; and a reception at the Spring High Point Market furnishings trade show. More than 25 different partners participated.



# Existing Industry Support

## Existing Industry Team’s Work Reaches Rural and Urban Counties

In 2017, the EDPNC’s existing industry support team assisted more companies than the year before across the state, ranging from a longtime peanut shelling company in Northampton County to a medical device maker in Caldwell County.

The team – made up of eight regional industry managers – helps businesses already operating in North Carolina identify and clear barriers to growth. In many cases, the team is supporting small- to mid-sized businesses.

Each manager is assigned to one of eight multicounty “prosperity zones” where they routinely visit local businesses to tour their operations, speak with their leadership and identify issues that might be keeping the company from investing in new hiring.

These onsite visits reach into both urban and rural counties. The team’s support includes connecting existing

North Carolina businesses to resources that help them find qualified workers, funds to renovate buildings, and guidance on how to implement more energy-efficient manufacturing practices. And when regional industry managers see a business could benefit from exporting, they refer it to the EDPNC’s international trade team.

Such assistance reinforces an existing company’s continued success and better positions it to add employees. Team members also work with local and state partners to support

**Pictured:** *Chad Price, founder and president of Mako Medical Laboratories, accepts congratulations after announcing Raleigh-based Mako’s decision to build a 153-job, \$15.4 million testing facility and warehouse in Vance County.*

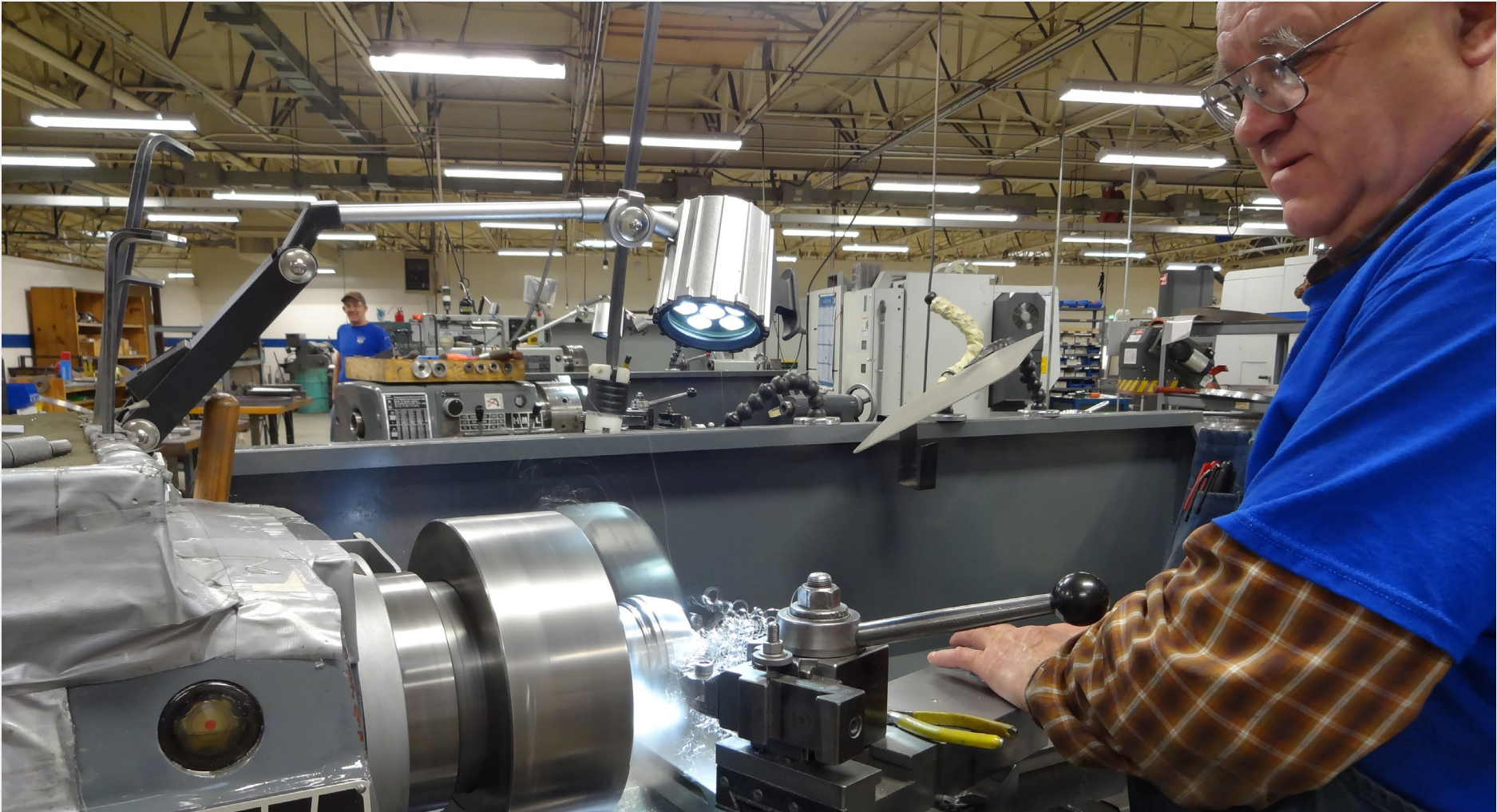
*Photo courtesy of Mako Medical Laboratories*



**1,141**  
Companies Assisted by  
Regional Industry Managers  
in 2017

**3,514**  
New Jobs Announced  
through Business Expansions  
Supported by Regional  
Managers





**Pictured:** Ivan Voznyak works on a grinding wheel core at Advanced Superabrasives, a maker of industrial grinding wheels whose 47-job expansion announced in 2017 in Madison County was supported by the EDPNC existing industry team and its partners.

those businesses when they are ready to launch formal expansions.

In 2017, the existing industry team and its partners supported 75 expansion projects, slated to create 3,514 new jobs and \$866 million in investment. That exceeds 2016 totals, when the team helped support 57 expansions calling for 2,304 jobs and \$602 million in investment.

Regional industry managers

assisted 1,141 businesses overall (including expansion projects) in 2017, up from 1,056 in 2016. Those interactions touched companies in all 100 counties across North Carolina in 2017.

The team also increased assistance to companies in more rural Tier 1 and Tier 2 counties. In 2017, the EDPNC's regional industry managers assisted 771 existing businesses in Tier 1 and Tier 2 counties, compared to 659 in 2016.

In 2017, such work by the team and its local and state partners included supporting Raleigh-based Mako Medical Laboratories' decision to build a 153-job, \$15.4 million testing facility and warehouse in Vance County – a Tier 1 county. The location in Henderson beat out sites in Louisiana, South Carolina and Ohio, which also courted the company.

“The collaborative effort of all North Carolina economic development partners truly

made this project a success and tipped the favor toward North Carolina for Mako,” said Josh Arant, Mako’s Co-founder and Chief Operating Officer. “The Governor, Secretary of Commerce, EDPNC, Vance County leadership and Henderson leadership diligently and efficiently worked together to present a cohesive expansion plan that Mako could not pass up. We are excited about the jobs and growth that Mako will bring to Henderson and Vance County.”

Other EDPNC-supported projects in counties that were Tier 1 in 2017 included:

- Severn Peanut Company’s 21-job, \$4.9 million expansion in Northampton County, where the company has operated for more than 70 years.
- Medical device-maker Adhezion Biomedical’s 40-job, \$3.5 million expansion of its Hudson plant in Caldwell County.
- Honda automotive component maker Keihin Carolina Systems Technology’s 42-job, \$13 million expansion of its Tarboro facility in Edgecombe County.

“The EDPNC regional industry managers provide local boots on the ground and connect companies to the best resources needed to expand,” said Phil Mintz, Executive Director of N.C. State University Industry Expansion Solutions. “We’re

one of those resources, helping companies to improve productivity, save costs and more.”

“  
**The collaborative effort of all North Carolina economic development partners truly made this project a success and tipped the favor toward North Carolina for Mako.**

**Josh Arant**  
Co-founder & COO,  
Mako Medical Laboratories



# How Can We Help?

## An Updated Boiler Heats Up Hiring at an Ethan Allen Plant

Ethan Allen's furniture plant and its 385 employees are a big presence in tiny Old Fort, North Carolina, with a population of 900 and change.

The plant, located 30 miles east of Asheville, has operated in rural McDowell County since 1972, navigating the tough years of 2000-2010 when many other "case goods" plants making non-upholstered wooden furniture closed or moved production offshore.

Plant Manager Larry Papula is proud of his facility, which produces wooden furniture in 60 different finishes for Ethan Allen. The well-known interior design and home furnishings company sells its furnishings online and through a network of 300 design centers.

But in early 2017, Papula was looking for ways to solve the problem of the plant's dated boiler system.

The solution ended up being a state grant that will allow the company to upgrade the boiler, expand production and create 16 new jobs at the plant. The grant was introduced as a possibility by Bill Slagle, Northwest Regional Industry Manager for the Economic Development Partnership of North Carolina, and Chuck Abernathy, Executive Director of the McDowell County Economic Development Association.

Slagle and Abernathy first approached Papula in early March 2017, at a monthly meeting of the county's Workforce Pipeline Committee. At Pipeline meetings, supervisors of up to a dozen manufacturing plants in the county discuss their workforce needs with representatives of local and state organizations that can help.

"Both these guys came over

and said, 'What's going on at your plant?' " Papula recalled. "So, I went through investments we'd made here, and our commitment by corporate directives to maintain domestic manufacturing." Indeed, 70 percent of Ethan Allen's production remains at its North American plants.

Slagle and Abernathy asked Papula: "What are your biggest issues? Maybe we



“

**What are your biggest issues? Maybe we could help you somehow.**

*The question the EDPNC and partners asked Ethan Allen's plant manager*

**Pictured:** Andy Mahan, who has worked at Ethan Allen's plant in Old Fort for 13 years, sprays toner on a piece of furniture.

*Photo courtesy of Ethan Allen*





**A rural county and a county that is further removed from Raleigh is more dependent on the state's regional officers. We depend and rely on people like Bill [Slagle] at the EDPNC, who is a tremendous resource.**

**Chuck Abernathy**  
Executive Director,  
McDowell County Economic  
Development Association

could help you somehow." Less than two weeks later, both men were in Papula's office discussing the plant's boiler.

The roughly 35-foot-high steam boiler "is absolutely critical to the operation of furniture manufacturing in the plant," Papula said.

"It is a wood-fired boiler, so it's reusing what would be a waste product. It generates steam that dries the lumber that we purchase, and that steam also runs our finishing oven so we can dry finishes on our furniture. We also use it to keep our employees warm during the winter."

Slagle and Abernathy suggested that a state Building Reuse Program grant, administered by the North Carolina Rural Infrastructure Authority, could help offset the \$400,000 cost of updating the plant's boiler system and building a new control room – but only if the project could meet the grant program requirement of creating new jobs.

That's how a boiler issue became an opportunity for a plant expansion.

The new control room and upgrades to the boiler controls, wiring and piping will produce more reliable

steam for all plant purposes, create a safer environment for the boiler room operator, and result in a more-efficient burn that will help support the plant's continued compliance with air quality standards. The possibility of accomplishing all that with state assistance made the Old Fort location an attractive option for an expansion that might have otherwise gone elsewhere among Ethan Allen's plants.

The \$195,462 grant awarded to McDowell County to support the project obligates Ethan Allen to hire 16 new employees within two years or return the money. Papula expects to have the new positions filled within a year.

The possible new hires include a boiler operator, maintenance mechanic, CNC machine center operator, group lead, and packaging positions. At full steam, these new hires should help the plant increase furniture production by roughly 10 percent, Papula said.

"With the state being willing to invest, we consider that a good partnership," Papula said. "Bill and Chuck did a great job, and I'm looking forward to working with them through the balance of this project and seeing what other ones may come down the road."

Papula also praised the McDowell County Workforce Pipeline Committee, where his discussion with Slagle and Abernathy began.

"This Pipeline is really, really good, between the industry and government involvement," Papula said. "The local community college, even the high school participates. I think it's exciting that they're looking to find ways to get everybody talking, because we are all looking for the same thing – security in our lives. And a lot of that starts with having a good job and a good place to live."



**With the state being willing to invest, we consider that a good partnership.**

**Larry Papula**  
Plant Manager,  
Ethan Allen





# International Trade

## Trade Team Helps Nearly 560 Companies with Exporting in 2017

**559**

**Companies Receiving  
EDPNC Export  
Assistance in 2017**

The EDPNC's international trade team helps North Carolina businesses identify and develop overseas sales opportunities free of charge. That's essential, because smaller businesses often don't have staff dedicated to exploring and developing export opportunities.

The team includes international trade managers based in North Carolina – each of whom specializes in specific industry sectors – and representatives located in six foreign trade offices in Canada, Mexico, Europe, Japan, Hong Kong, and Shanghai, China. A new grant-funded international trade consultant based in the Middle East also supports the businesses served by the EDPNC.

All told, EDPNC's international trade managers and foreign offices assisted 559 North Carolina companies in 2017, in 80 counties across the state. Those companies reported exporting \$884.9 million worth of goods in 2017. In 2016, the EDPNC trade team assisted 558 companies reporting \$832.2 million in exports.

The trade team's services include providing businesses export education programs, help finding and vetting new distributors or agents, and researching new international markets for a company's products and services. The team also leads delegations of North Carolina companies to international trade shows and helps them arrange meetings there with potential buyers and distributors.

In addition, the team makes key referrals when a business needs specific counseling, financing or other assistance offered

**\$884.9M**

**Total Value of Exports  
Reported by Companies  
Assisted by the EDPNC  
in 2017**

**201**

**Companies Participating in  
Trade Events Coordinated by  
the EDPNC in 2017**

**37**

**Trade Shows Attended by  
N.C. Companies Joining the  
EDPNC in 2017**

# International

by EDPNC partners such as the Small Business and Technology Development Center (SBTDC), an extension service of the University of North Carolina; the U.S. Export-Import Bank; and U.S. Commercial Service.

Most of the companies the EDPNC assists are small- to mid-sized businesses of 500 or fewer employees. Many qualify to receive federal reimbursement for travel and certain other expenses related to EDPNC-led participation in international trade shows. Such reimbursement is available through the State Trade Expansion Program (STEP), a nationwide initiative of the U.S. Small Business Administration (SBA). The EDPNC secures and administers the critical STEP grants in North Carolina, helping companies understand and apply for the program. The EDPNC also taps into two other grant programs that help North Carolina companies participate in trade shows.

During 2017, the EDPNC trade team organized the participation of 201 North Carolina companies in 37 major trade events. The diverse shows they attended with the EDPNC included the following:

- Expo Mueble furniture show in Guadalajara, Mexico
- MEDICA in Dusseldorf, Germany
- Colombia Nautica boat show in Cartagena
- Global Petroleum Show in Alberta, Canada
- Paris Air Show
- Expo Hospital in Santiago, Chile
- International Smart Grid in Tokyo, Japan
- China International Optoelectronic Expo, Shenzhen, China







The EDPNC also coordinates outreach activities to educate North Carolina companies about export opportunities and regulatory requirements.

Overall, 93 companies sent employees to participate in EDPNC export-education seminars in 2017. The free seminars feature trade experts addressing topics such as export documentation and

**The EDPNC trade team provides North Carolina businesses export education programs, help finding international distributors, and critical support at international trade shows.**



**Pictured:** EDPNC International Trade Manager Paul Wyatt, above (center front), supported several companies participating in the North Carolina booth at the 2017 MEDICA trade show in Germany (left) including StayOnline, Therafirm, Technology Commercialization Group (TCG), LigaTrap Technologies, Cellex, Clinical Choice, ImmunoReagents and Redbud Labs. These companies represent an array of industries including textiles, pharmaceuticals and electronic equipment.

licensing requirements. In 2017, seminars were held in Greenville, Hickory, Fayetteville, Charlotte and Durham.

Additionally, the Go Global Road Show brought agents from all of the EDPNC’s foreign offices to meet individually with representatives of 73 North Carolina companies during full-day gatherings

in Wilmington, Raleigh, Kannapolis and Asheville. In one-hour consulting appointments, the foreign-office representatives discussed with these companies their products, international market opportunities, customs requirements, and other issues specific to different regions of the world.

Companies attending were

also able to speak with representatives of the Export-Import Bank, U.S. Commercial Service, North Carolina Department of Agriculture, SBTDC and SBA.



# Arab Trade Route

## Vehicle Manufacturer Finds Help Hitting the Road to New Mideast Markets

You don't have to be a gearhead to appreciate how well Greensboro-based Matthews Specialty Vehicles can customize your ride.

Just ask any government agency, first responder or nonprofit organization that needs a made-to-order mobile law enforcement command center, natural disaster response vehicle, bookmobile, bloodmobile, or traveling medical clinic.

Matthews, founded in 1992, precisely designs, engineers and builds these "offices on wheels" mounted atop bus and motorhome chassis from manufacturers such as Thomas Built, Freightliner, Ford and Chevrolet.

Matthews-made bodies and interiors accommodate staff and space for labs, exams, conference areas and more. "We have our own electricians, cabinet makers, metal fabrication and carpenters," Global Sales Director Dennis Hoag said. "We pride ourselves on custom-building every vehicle and doing everything in-house."

That approach has made the company of 60 employees, not including its spinoff custom van and vehicle graphics division, a success. "Over the last five years, we've had 30 to 50 percent growth in sales," Hoag said.

Recent sales in the Middle East are part of that growth, and Hoag is committed to increasing exports of Matthews' mobile medical vehicles to the region. To help tap into that promising market, Matthews partnered with the Economic Development Partnership of North Carolina, the U.S. Commercial Service's Greensboro office and the Small Business and Technology Development Center (SBTDC) office in Winston-Salem.

Exports account for roughly 10 percent of Matthews' sales. "My goal is to grow export sales by 50 percent in the next three years," Hoag said. "That might be in [vehicle] units or dollar amounts, because every unit counts."

How much, for instance, can a single bloodmobile count?

Well, that depends. One bloodmobile with backup generators might start at \$300,000, Hoag said, while another that also has slide-out room extensions could sell for \$450,000 to \$500,000.

“It’s nice to know the help is out there. When you’re going into another country, it gives you a head start.”

**Dennis Hoag**  
*Global Sales Director,  
Matthews Specialty Vehicles  
(pictured next page)*



Hoag attended his first Middle East trade show in 2013, exhibiting with other small businesses at the North Carolina booth at Intersec, a leading trade fair for security, safety and fire protection in Dubai, United Arab Emirates (UAE). Working with Kuldip Wasson, who was then an international trade manager with the North Carolina Department Commerce, the company received federal funds to help pay its travel costs connected with the show.

After Intersec, Hoag decided to shift his attention to Arab Health in Dubai, the largest health-care conference and trade show in the Middle East. "I wanted to focus more on our medical, health and bloodmobile market for export purposes. Intersec gets more into security and military apparatus. That's not our focus."

So Wasson, currently an international trade manager with the EDPNC, connected Hoag with EDPNC International Trade Manager

Paul Wyatt, who supports companies exhibiting in the state booth at Arab Health.

Working again with EDPNC's international trade division, Matthews received federal funds that covered travel costs to exhibit at Arab Health in 2016 and 2017. The travel reimbursement came through the U.S. Small Business Administration's State Trade Expansion Program (STEP), which the EDPNC administers in North Carolina.





During the 2106 Arab Health show, where Matthews shared space with other North Carolina companies at the state booth, Hoag met one-on-one with U.S. Commercial Service officers based in Saudi Arabia and the UAE. “It was a learning experience,” Hoag said. “You meet with them to understand each country’s specific needs, and how they recommend doing business in each country.”

“I got a lot of strong recommendations in those meetings,” Hoag added. “I told them what our business model was, what we were after. They were upfront about whether their country would be a great fit.”

Since that show, local and overseas U.S. Commercial Service specialists have helped Matthews vet

potential foreign agents for its products. “They’ve made sure that we’re talking to legitimate people,” Hoag said.

Critical introductions were also part of Arab Health in 2017, where Matthews decided to exhibit more prominently at its own booth and collected 32 new business leads. Hoag also attended a trade show VIP reception where he met Middle East ambassadors. “Those types of things are invaluable,” he said.

In addition to exhibiting at Arab Health, Matthews employees have participated in a variety of export education and compliance workshops presented by the EDPNC.

Matthews’ export successes have included bloodmobile

deals with Aramco, the national oil company of Saudi Arabia, and a pending contract with King Khalid University Hospital in the Saudi capital of Riyadh.

“We’re also investing in an office in the Middle East to see where it takes us,” Hoag said.

Have exports contributed to new hires at the company in recent years?

“Absolutely,” said Hoag, who appreciates the assistance he has received from the EDPNC, U.S. Commercial Service and the SBTDC. “It’s nice to know the help is out there. When you’re going into another country, it gives you a head start.”

# Helping North Carolina Companies Make Sales in the Arab Gulf

Recognizing the recent and rapid rise of U.S. exports to the Middle East, the EDPNC in 2017 hired a new consultant to help North Carolina businesses grow their sales in that promising market.

The consultant, based in Dubai in the United Arab Emirates (UAE), will help qualified companies of 500 or fewer employees connect with potential agents and distributors in Arab Gulf nations including the UAE, Saudi Arabia, Bahrain, Kuwait, Qatar and Oman.

How promising is the Arab Gulf market? In 2016, Saudi Arabia surpassed Japan to become North Carolina’s fourth-largest export market in overall value of goods sold.

In totals adjusted for inflation, Saudi Arabia purchased \$1.68 billion in goods exported from North Carolina in 2016, a 106 percent increase over five years. Over the same period, the value of goods exported from the state to the UAE increased by 46 percent.

Aircraft and defense commodities “have been the big driver in exports to Saudi Arabia,” said Mike Hubbard, Director of International Trade at the EDPNC. “But there are also great opportunities in medical, pharmaceutical and furniture exports to the region.”

Funding for the EDPNC’s new Arab Gulf trade consultant is part of North Carolina’s 2017-18 State Trade Expansion Program (STEP) grant, provided by the U.S. Small Business Administration.

In past years, STEP funds have paid for initiatives to increase North Carolina export activity in Latin America and Europe.

In addition to supporting the new Middle East trade consultant, the current cycle of STEP funding will continue to help the state’s small businesses pay for travel and marketing material translation associated with participating in international trade shows throughout the world.

“  
**You meet with them to understand ... how they recommend doing business in each country.**

**Dennis Hoag**  
*Global Sales Director,  
Matthews Specialty Vehicles*



# Link NC

# Business

## Business Link North Carolina Increases Outreach and Helps Small Businesses

The small-business counselors staffing the phones at Business Link North Carolina (BLNC), a division of the Economic Development Partnership of North Carolina, found themselves taking – and making – more calls in 2017.

Over its toll-free number, BLNC guides would-be entrepreneurs through the regulatory requirements of starting a business in North Carolina.

Those calling the BLNC help line – from landscapers and construction contractors to restaurateurs and technology consultants across North Carolina – are provided direction on how to obtain business licenses and tax ID numbers, how and where to register their businesses, and other details about the legal requirements of starting a business in the state.

BLNC counselors also

refer many callers to organizations that can help with professional mentoring or small-business grants and alternative lending. These educational and financial resources often target and support entrepreneurs in typically underserved communities such as minorities, veterans and women.

Speaking in both English and Spanish, BLNC's team of four counselors handled 22,092 cases in 2017, an increase over the 20,152 cases addressed in the prior year. Seventy-one percent of the calls BLNC received in 2017 came from startups.

But the team did much more than answer phones in 2017.

BLNC coordinated a successful pilot program of five workshops supporting Latino entrepreneurship in four cities across North Carolina. BLNC counselors

“

**In 2017, partnering with [the NC Department of] Commerce and nonprofit lenders in the wake of Hurricane Matthew was particularly meaningful.**

**John Loyack,**  
EDPNC Vice President of Global Business Services

**22,092**

Cases Handled by BLNC  
Small-Business Counselors  
in 2017

**71%**

Of Calls Came from Startups



also made presentations at 76 events around the state – educating participants about navigating the permitting terrain of starting a business in North Carolina and how BLNC can help.

In addition, in 2017 BLNC made it even easier for entrepreneurs to connect to counselors, by introducing an online request form on the EDPNC website. By collecting basic information, the counselor can tailor a specific response regarding business startup and quickly reply via email.

Also in 2017, in partnership with the state Department of Commerce and nonprofit lenders, BLNC counselors reached out directly to businesses still reeling from the effects of Hurricane Matthew. The October 2016 storm damaged an estimated 98,000 homes and affected 20,000 businesses in North Carolina. The BLNC team’s outreach identified 92 North Carolina businesses possibly eligible for recovery lending from two EDPNC partners – the NC Rural Center and Carolina Small Business Development Fund.

One of those businesses was Halls Trucking Co. in Bladenboro, which transports scrap metal to recycling facilities from Pennsylvania to Florida. The company took a financial hit after flooding damage forced a client to close one of its in-state metal-recycling facilities.

“The work slowed down, and I still had bills and drivers and stuff to pay,” said owner Alphonza Hall. “And I just had to pull money out of savings.”

The Rural Center gave Hall a loan for support as he repositions his business toward serving long-distance customers.

BLNC is also taking inquiries from any hurricane-affected businesses interested in applying for credit through a joint multimillion-dollar program of the state Department of Commerce and nonprofit lenders. Businesses calling BLNC at (800) 228-8443 can get more information as well as referrals to one of three small-business lenders participating in the program: the Center for Community Self Help, Carolina Small Business Development Fund and North Carolina Community Development Initiative Inc.

“Each day BLNC helps support the establishment and success of small businesses in the state, by helping startups navigate the regulatory requirements of operating in North Carolina,” said John Loyack, EDPNC Vice President for Global Business Services, which includes BLNC. “But in 2017, partnering with Commerce and nonprofit lenders in the wake of Hurricane Matthew was particularly meaningful.”



**Pictured:** The EDPNC referred Alphonza Hall, owner of Halls Trucking Company in Bladenboro, to the NC Rural Center, which provided him a loan to help his small business recover from the impact of Hurricane Matthew.

*Photo courtesy of the NC Rural Center*

“

**We do everything we can to answer entrepreneurs’ questions, and we’re happy to see customer surveys showing that 98 percent of our callers are highly satisfied with our help.**

**Holly Yanker**  
Senior BLNC Counselor



# In Plain Language

## Workshops Held in Spanish Support Latino Entrepreneurs

It's difficult enough to comply with all the legalities of establishing a new business in North Carolina, but particularly so if you can't get those precise requirements explained in your first language.

That's one reason why the Economic Development Partnership of North Carolina (EDPNC), partnering with the Mexican Consulate in Raleigh and the Raleigh-based nonprofit Carolina Small Business Development Fund, held five small-business workshops targeting Latino entrepreneurs in 2017. The two-hour workshops across the state were conducted entirely in Spanish.

The workshops, part of an EDPNC pilot program, drew 113 participants. The events were held from June to December – twice in Charlotte and once in Siler City, Greenville and Hickory. The pilot was so successful, the Mexican

Consulate arranged two more workshops in Raleigh and Wilmington in late 2017. And the three partners plan to present six more Latino small-business workshops in 2018.



**This has been one of the program's most successful events.**

**Zurilma Anuel**  
Latino Program Director,  
Carolina Small Business  
Development Fund

Those who attended the pilot workshops represented a mix of fluencies in English and Spanish. But even those most at ease with English often prefer Spanish when discussing the exacting specifics of how to legally register a business in North Carolina, obtain a permit, or qualify for a business loan.

"So there was a huge need to do this in Spanish," said Zurilma Anuel, Latino

Program Director, Carolina Small Business Development Fund. "This has been one of the program's most successful events."

The workshop partnership began to form in 2016, when Remedios Gomez Arnau, head of the Mexican Consulate covering North and South Carolina, contacted the EDPNC. She was exploring ways to better support entrepreneurs among the

**Pictured:** Zurilma Anuel, Carolina Small Business Development Fund Latino Program Director, explains in Spanish the fundamentals of a business plan and lending options to participants in a Latino small-business workshop held in Charlotte.

*Photo courtesy of Carolina Small Business Development Fund*







**Pictured:** Stephanie Arndt, above, and Holly Yanker, right, are two members of the very busy Business Link North Carolina team, which provides phone consultations that help entrepreneurs set up their small businesses in North Carolina.

state’s Mexican and Mexican-American residents, who make up 60 percent of the North Carolina’s nearly 900,000 Latinos.

“When I arrived in Raleigh [in June 2016], I realized that there were few organizations reaching out to the Latino community, even though Latinos are 10 percent of the state’s population,” Gomez Arnau said. “So we contacted different organizations about the programs they already have, and how to include Latinos.”

The EDPNC’s team of small-business counselors at Business Link North

Carolina (BLNC) had experience presenting workshops for veterans and women, minorities and rural entrepreneurs. So, it made sense to extend that outreach in Spanish to Latino startups.

“After meeting with the Mexican Consul General, we brought in the Carolina Small Business Development Fund as our third partner, knowing they have existing business loan products and Spanish-speaking staff,” said John Loyack, EDPNC Vice President of Global Business Services and supervisor of the BLNC team.

At the workshops, each



partner organization made 20-minute presentations, leaving time for remarks by host-city organizations, such as local economic development officials.

Holly Yanker, BLNC team manager who is fluent in Spanish, opened the workshops with information about the legal requirements and process of licensing, permitting and beginning a business in North Carolina.

“Some of the questions they asked were: How do I make sure my business is registered properly with the state of North Carolina?” Yanker said. “How do I get the specific

identification numbers I need as a business owner? What do I need to file with the county and what do I need to file with the state?”

Carolina Small Business Development Fund representatives discussed business-plan essentials, including estimating variable costs and unit price, projecting cash flow, and conducting a break-even analysis. The organization, which provides business loans in underserved communities, also covered its lending programs. “We don’t compete with the banks,” Anuel said. “The people we are giving business loans to

are those who cannot get one approved by a regular financial institution.”

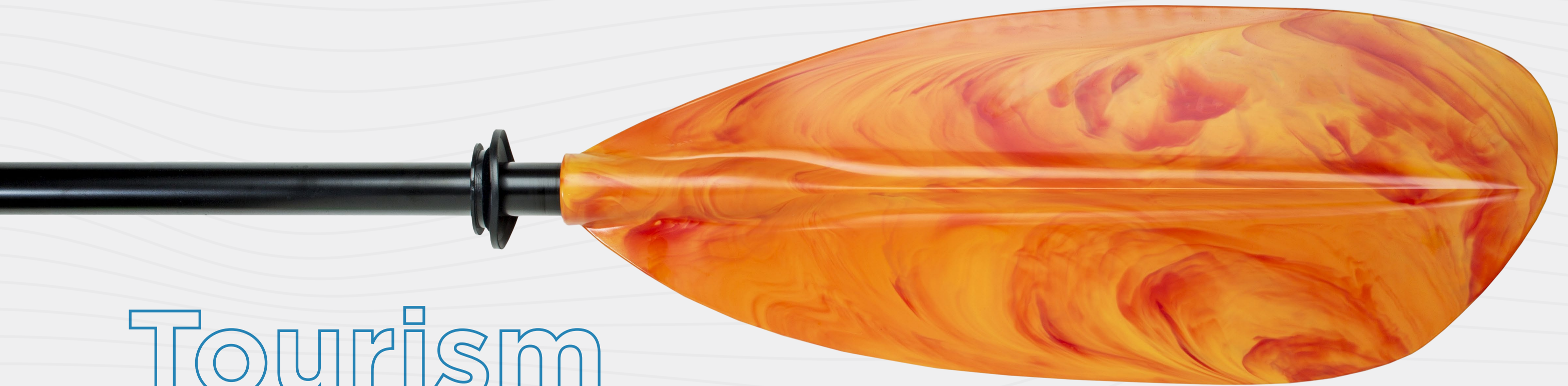
The consulate presented financial guidance for Mexican-Americans in the audience, such as how to open a bank account in Mexico without having to leave the U.S. and how to collect pensions earned when they worked in Mexico.

Isidro Nolasco and his cousin own Queen City Fleets, a Charlotte-based startup that maintains and repairs diesel truck fleets. Both attended the first workshop held in Charlotte.

“I was in the process of applying for a business loan, and I learned a few things that turned out to be useful,” said Nolasco, an accountant from the Dominican Republic.

In addition, he and his cousin met an attendee who explained in Spanish the licensing required to offer commercial truck inspections as part of the startup’s services. “My cousin is the one with the mechanical knowledge, but he doesn’t speak much English,” Nolasco said. “He was able to understand everything that was explained to us, and that was important.”





# Tourism

## Visit NC Marketing Broadly Impacts State

**\$3.6 Billion**  
Record Hotel and Motel  
Revenue from U.S. Visitors to  
North Carolina in 2017

The Visit North Carolina (Visit NC) team crafts and executes statewide marketing programs that promote North Carolina as a top location for tourism, film productions, and those looking for the best place to retire.

**3%**  
Increase in Commercial  
Lodging Revenue from U.S.  
Visitors to North Carolina in  
2017

The tourism industry alone supports more than 219,000 jobs and 45,000 small businesses in North Carolina, with direct employment spanning lodging, transportation, food service and retail.

**219,094**  
Jobs in the State are  
Directly Supported by  
Tourism Spending

Visit NC's diverse tourism marketing activities include participating in trade shows and conferences; leading

travel-writer tours of the state's attractions; developing relationships with tour operators; executing a variety of print, digital and TV advertising campaigns; and launching diverse website and social media promotions.

In addition, Visit NC broadly engages counties throughout North Carolina in its highly successful cooperative marketing program. Rather than going it alone, local tourism offices pay affordable fees to highlight their attractions in their choice of certain Visit NC statewide marketing initiatives. Cooperative programs can provide partners savings of

up to 86 percent off what they would pay on their own.

In 2017, local tourism offices invested at the highest level ever in Visit NC's cooperative marketing program. More than 170 local partners invested over \$2 million in the program, with more than half that amount coming from rural Tier 1 and 2 counties.

"I think it shows the value that we bring to partners, that they are willing to spend a significant amount of their advertising and marketing budget in our programs," said Wit Tuttell, EDPNC Vice President for Tourism. "We've also added

some new and diverse cooperative marketing and advertising opportunities for local partners throughout the state, and we've seen a tremendous response from them."

For example, Visit NC, working with digital advertising technology company RhythmOne, introduced a new digital influencer program in 2017, which matches local tourism offices with carefully selected bloggers. Participating partners host a visiting blogger who posts about local attractions.

Tourism offices that signed

“

**The digital  
influencer  
program  
helped to  
increase  
visitation to  
Jacksonville.  
It was great.**

**Glenn Hargett**  
Assistant City Manager in  
Jacksonville, N.C.



up for the program included the Outer Banks Visitors Bureau, the Jacksonville Tourism Development Authority, the High Point Convention and Visitors Bureau, the Fayetteville Area Convention and Visitors Bureau, the city of Franklin, and the Greensboro Convention and Visitors Bureau.

Jacksonville, for example, was featured in “Jo, My Gosh!,” a blog written by millennial military spouse Joanna Guldin-Noll who posts news of note to families and friends of those in the service. Her blog was a good fit for Jacksonville, said Glenn Hargett, Assistant City Manager. The city wants relatives who visit personnel

stationed at area bases to extend their stay and patronize local attractions.

Destinations featured in the blog saw an uptick in business, Hargett said. And the \$6,000 spent to participate in the digital-influencer program generated exposure worth more than \$68,500 in paid

advertising, he said. “It was an overwhelming success,” he said.

Across all participating communities, the digital influencer program generated 233 pieces of North Carolina-specific online content and on-location social posts, which garnered more than 2.2 million views.

The program is just one example of many Visit NC marketing, advertising and public relations initiatives that have contributed to the strength of the state’s tourism industry, as seen in a number of measures. For example, North Carolina tourism generated record commercial lodging revenue of \$3.6 billion in 2017, a

3 percent increase over the prior year. Hotel room demand in North Carolina rose to 35.4 million room nights booked, up 0.1 percent from 2016.

In addition, overall visitor spending has risen to its highest level ever in recent years, which bolsters local and state tax revenue.

In 2016, the latest year available, 48.6 million domestic travelers visited North Carolina and spent a record \$22.9 billion – a 4.4 percent annual increase in spending that outpaced the 2.9 percent growth nationwide. State tax receipts connected to spending in 2016 rose 5.1 percent (to \$1.18 billion), while local tax receipts grew 4.9 percent (to \$693.4 million).

Visit NC also tracks the number of consumer inquiries it receives. Those inquiries, which primarily reflect total visits to Visit NC’s family of websites, hit a record 7.5 million in 2017, up 5 percent from 2016.

**Pictured:** This image of the French Broad River in Madison County graces the cover of the 2018 North Carolina Travel Guide. Visit NC produces the annual statewide guide with three regional covers. The guide gives local tourism partners a valuable opportunity to affordably advertise their area attractions.





# Destination: North Carolina

Visit North Carolina uses a variety of creative methods to market the state as a premier destination for visitors, retirees and film productions. Here are some highlights of Visit NC activities that delivered strong results in 2017.

## 2017 Highlights

### Donald Ross Golf Experience

Visit NC created the North Carolina Donald Ross Golf Experience hosted on VisitNC.com and featuring resort and public courses across North Carolina designed by the world-renowned architect. In its first month online, the Ross Experience drew 10,000 views of articles, trip ideas and videos. The website also featured three complementary regional trip ideas: the “Donald Ross Golf Getaway in Pinehurst and Southern Pines,” “Follow the Blue Ridge Parkway to a Donald Ross Golf Trip,” and “Come for the Donald Ross Course, Stay for the Beach.”

### Spring 2017 Target-Market Campaign

Visit NC launched a spring campaign encouraging visits to North Carolina by travelers who live in three key markets: Atlanta, Washington,

D.C., and Nashville. Overall, VisitNC.com traffic from the three markets increased 99 percent. Year-over-year VisitNC.com traffic from Atlanta rose by 133 percent, from Washington by 75 percent, and from Nashville by 57 percent. According to location analytics company Arrivalist, those exposed to the campaign via digital or television advertisement were 115 percent more likely to visit North Carolina than those who didn’t see the campaign.

### Showcasing N.C. at PGA Championship

Visit NC hosted 20 tourism industry VIPs – including journalists from Canada, Germany and the United Kingdom – at the PGA Championship golf tournament held in Charlotte in August 2017. They covered the PGA event and produced separate features on North Carolina golf experiences.

Visit NC also showcased area golf, lodging and attractions to tour operators from Canada, Germany, Switzerland, France and the United Kingdom. Many of them added North Carolina golf vacations to their tour offerings.

### “Summer of Now” Campaign

In early July, Visit NC kicked off the “Summer of Now” campaign, to inspire spur-of-the-moment travel by showcasing different trips in the state. Every Wednesday, Visit NC’s social media featured one of eight destinations with the hashtag #WeekendWednesday, driving viewers to trip ideas and deals on VisitNC.com. The featured trips included the High Country, Raleigh-Durham, the Brunswick Islands, Winston-Salem, the Great Smoky Mountains, the Outer Banks, Charlotte, and the Foothills.



**Pictured:** The Quail Hollow Club golf course in Charlotte (left) was the site of the 2017 PGA Championship, where Visit NC hosted 20 tourism journalists from Canada, Germany and the United Kingdom.



**Pictured:** Andre Nabors, below, of the EDPNC’s Retire NC program, sells the advantages of retiring in North Carolina at the ideal-LIVING Resort & Retirement show in Tysons Corner, Va., in September 2017. The area is part of the Washington, D.C., region, a target market for Retire NC.





**“Dirty Dancing” Returns**

In May, ABC broadcast a remake of the famous movie “Dirty Dancing.” Both the original and remake were made in North Carolina. Visit NC ran TV ads during the remake’s broadcast in three markets – Atlanta, Washington, D.C., and Nashville. Additionally, Visit NC used paid and organic social media promotions to drive traffic to relevant content on the Visit NC website, including the “Relive Famous Film Scenes in North Carolina” story and the “Get Away to Chimney Rock, Lake Lure and Towns in the Foothills” trip ideas.

**More Certified Retirement Communities**

In 2017, Visit NC’s Retire NC marketing program added two new communities – Washington and Roanoke Rapids – to its programming, bringing the number of Certified Retirement Communities in North Carolina to 17. Retire NC helps these certified communities market themselves as great places to retire. In 2017, Retire NC and partners representing New Bern, Reidsville, Laurinburg, Lumberton, Edenton, Sanford, Washington and Winterville attended Ideal Living Expo consumer travel shows in New York,

New Jersey, Connecticut and Virginia. Retire NC also kicked off a partnership with the company Focus 3, which tracks retiree relocation, to set up a database that will report on how many leads generated by Retire NC marketing actually result in retirees moving to North Carolina.

**Films Spend \$50 million**

Film productions spent \$49.3 million in North Carolina in 2017, creating more than 5,300 job opportunities – including 1,000 crew and talent positions. North Carolina productions included season two of the TNT series “Good Behavior,” the independent feature “American Animals,” documentary series “A Chef’s Life” and “My Big, Fat Fabulous Life,” and HGTV’s “Love It or List It.” National commercials for Home Depot, Goodyear, Mountain Dew, and NASCAR were also shot here.

**First-Ever National Beer Tourism Conference**

In March 2017, Visit North Carolina and Explore Asheville co-sponsored the inaugural Beer Marketing & Tourism Conference. Held in Asheville, the event focused on the importance of beer marketing and beer tourism. Attendees included breweries, brewery guilds, visitor organizations, tour operators, bloggers and media. As part of the event, Visit NC and Explore Asheville hosted nine domestic and international beer journalists for a tour of area breweries.

**Pictured:** *The TNT series “Good Behavior” has filmed in North Carolina locations ranging from Hampstead to Wilmington.*



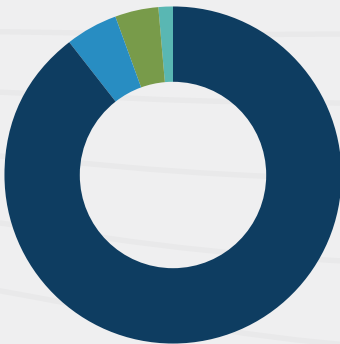
# Financials

## Our Revenue and Spending in FY 2017

The Economic Development Partnership of North Carolina receives private dollars from investors and state funding through its contract with the North Carolina Department of Commerce. Private investors include dozens of companies, individuals and foundations supporting our mission to foster sustainable job creation and capital investment across North Carolina.

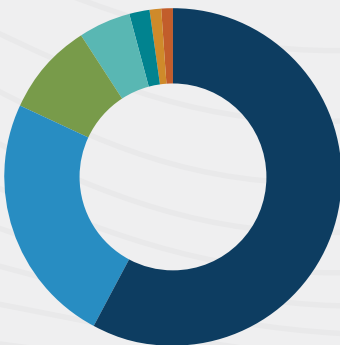
In fiscal year 2017, running from July 1, 2016, through June 30, 2017, the partnership received a total of \$23,881,184 in revenue and incurred expenses totaling \$23,951,177.

### FY 2017 Funding Sources



State Contract Revenue	\$21,413,482	90%
Private Funding	\$1,173,504	5%
Federal Grants	\$1,017,202	4%
Other	\$276,996	1%

### FY 2017 Expenses



Advertising and Promotion	\$13,917,514	58%
Personnel	\$5,810,629	24%
Professional Fees	\$2,049,117	9%
Travel and Prospect Hospitality	\$1,124,222	5%
Information Technology	\$436,019	2%
Facilities and Utilities	\$371,703	1%
General Office Expenses	\$241,973	1%





# Investors

## Setting Our Sights Higher in 2018

During our 2016-17 fundraising campaign, more than 65 private companies, organizations and individuals invested over \$1 million in the Economic Development Partnership of North Carolina and its mission to support new jobs and capital investment throughout the state.

The EDPNC is extremely grateful for their confidence in our efforts. And we're proud to act on the state's behalf in several critical areas, including new business recruitment; existing industry support; international trade and export assistance; small business counseling; and tourism and film promotion.

By the close of our last fundraising year, we had received \$1.165 million in non-state funds. We are setting our sights even higher during our current 2017-18 fundraising year. Our target is \$1.4 million in private investment, which will supplement our core state funding and help us achieve several important goals.

When North Carolina privatized certain economic development functions through the EDPNC, it embraced a public-private partnership model that leverages the financial resources of both state government and private industry.

Since we opened our doors in October 2014, the combination of private and public funds has enabled us to do a number of new things, such as opening an office in South Korea to respond to growing opportunities for foreign direct investment from that region. In 2017, we completed an extensive update of the state's online searchable database of available industrial buildings and sites – a critical site selection tool – and relaunched it on

## Interested in learning more about investing in the EDPNC?

Email Investor Relations Manager  
**Julie.Drinkard@edpnc.com** for more info.

EDPNC.com as the easier-to-navigate SelectNC platform.

The EDPNC operates under a contract with the North Carolina Department of Commerce, and our fundraising year corresponds to that October-to-October contract year. So we aim to hit our \$1.4 million private fundraising goal by Oct. 5, 2018.

Achieving that will help us pursue priorities such as adding India to our international network of offices working to attract investment by foreign companies; funding permanently our new international trade presence in the Middle East, which is currently supported by a one-year grant; increasing investment in proactive business lead-generation resources; and spending more on strategic business and tourism marketing and public relations efforts.

We will work hard to keep earning the support of our public and private investors, including the following companies, organizations and individuals who either invested during our 2016-17 fundraising campaign or helped us launch our current campaign by investing during the final months 2017.

## A Special Thank You To...

### \$100,000 or more

- Duke Energy
- Red Hat

### \$50,000 to \$99,999

- Bank of America
- ElectriCities of North Carolina
- Martin Marietta
- NC Association of Realtors
- North Carolina Railroad Company

### \$10,000 to \$49,999

- Balfour Beatty Construction
- BB&T Corporation
- Bell Foundation
- Biltmore Farms
- Bissell Companies
- Carolinas HealthCare System
- Childress Klein
- Crescent Communities
- Duke University Health System
- First Bank
- First National Bank
- Flow Lexus
- Kane Realty
- Kilpatrick Townsend & Stockton
- Lenovo
- Lincoln Harris
- McAdams Company

- Medical Mutual
- Moore & Van Allen
- North Carolina's Electric Cooperatives
- Ogletree, Deakins, Nash, Smoak & Stewart
- Orange County Economic Development
- Parker Poe Adams & Bernstein
- Pinnacle Bank
- Preston Development / Chatham Park
- PSNC Energy
- Shelco
- Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan
- SteelFab
- SunTrust
- The Joseph M. Bryan Foundation
- Walbridge
- Wells Fargo

### Under \$10,000

- Aberdeen & Rockfish Railroad
- Allegacy Federal Credit Union
- Allen Tate Relocation and Corporate Services
- AT&T
- Barnhill Contracting Company
- CaptiveAire
- CAPTRUST
- CenturyLink
- Charlotte Metro Area Relocation Council
- Clancy & Theys
- Colliers International
- Convention & Visitors Bureau – Pinehurst, Southern Pines, Aberdeen
- Deloitte
- Fidelity Bank
- Foundry Commercial
- Froehling & Robertson
- G-5 Properties
- Grubb Properties
- Jacksonville Onslow Economic Development
- Jeffery & Linda Turner Charitable Fund
- K&L Gates
- Kimley-Horn and Associates
- Koury Corporation
- NAI Beverly-Hanks, Asheville
- NAI Carolantic Realty, Raleigh
- NAI Piedmont Triad, Greensboro
- NAI Southern Real Estate, Charlotte
- Pisgah Enterprises
- PNC Financial Services Group
- PwC (PricewaterhouseCoopers)
- ReMax / Winning Edge
- Robert Singer (individual contribution)
- Sheila P. Knight (individual contribution)
- Timmons Group
- Thomas Looney (individual contribution)



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