



ANNUAL REPORT

Economic Development Partnership of North Carolina

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FROM GOVERNOR ROY COOPER

North Carolina is an amazing place to live and continues to be a top choice – for executives drawn to our stellar and innovative business climate, for new residents attracted to our high quality of life, and for visitors drawn to our state’s natural beauty.

In fact, this past year North Carolina joined the nation’s top 10 states in rate of annual population growth. With nearly 10.4 million residents, we’re now the ninth-most populated state.

I want North Carolina to be a place where everyone – urban and rural, native and newcomer – can find good jobs and ample educational opportunities.

That mission underpins my vision for North Carolina’s economic advancement. Under my direction, the state Department of Commerce and the Economic Development Partnership of North Carolina work to achieve this mission. NC Commerce and the EDPNC, together with the General Assembly, local and regional economic development organizations, and private-sector organizations and companies, support our efforts.

We’ve been able to celebrate plenty of good news in North Carolina recently, including:

- Around 40,000 new jobs announced over the past two years, created with state support. That includes more than 19,500 jobs in 2018 and more than 20,000 new jobs announced in 2017.
- Being named Forbes’ No. 1 Best State for Business for the second straight year, in addition to remaining among the top three states in highly regarded business rankings from Chief Executive and Site Selection magazines.
- Bipartisan approval of a \$3 billion bond that will deliver local and regional transportation projects and keep the state competitive for years to come.

- Strong export of goods and services from North Carolina, activity that helps sustain more than 400,000 jobs in the state and raises our manufacturing profile around the world.
- A rising reputation as a place of great innovation, with top-tier universities and community colleges, vibrant startup communities and a talented workforce, particularly for our technology industry, which is growing at twice the national average rate.
- A workforce system that served over 800,000 youth and adults by providing work-based learning opportunities, industry-led customized training, and connections to employers hiring for good-paying, family-sustaining jobs.
- Continued record visitor spending in North Carolina that fuels nearly 226,000 tourism jobs in the state and touches all 100 counties.

In the coming year, I fully expect we’ll have even more to celebrate thanks to our continued work to make sure everyone knows that North Carolina is the absolute best place to locate and grow a business.

Together, we can move toward a more prosperous North Carolina for all.

Sincerely,

Governor Roy Cooper



FROM OUR CHAIR AND OUR CEO

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In 2018, North Carolina posted its second-best year in a decade for the number of new jobs attached to state-supported project wins.

The Economic Development Partnership of North Carolina – through the work of our business recruitment and existing industry teams and our state and local partners – closed deals on 143 new and expanded corporate facilities, expected to create 19,541 new jobs and \$3.53 billion in investment.

The 2018 jobs tally nearly matched the 19,999 state-supported jobs announced in 2017.

Our continued strong momentum in 2018 is also reflected in the work of our international trade team, which supported the exporting activity of 592 businesses in 94 counties, and our small-businesses counseling team, which handled more than 23,000 cases of assisting startups and entrepreneurs. In addition, our tourism marketing efforts in recent years continue to drive record-setting levels of visitor spending and tourism-supported employment in the state.

Strategic thinking and constant innovation are necessary to fuel this momentum for years to come. So in 2018, the EDPNC did a few things differently:

- Our business development team opened North Carolina's first office in India dedicated to attracting foreign direct investment from one of the fastest-growing source markets for inbound investment into the U.S.
- Our international trade team established the state's first trade office in the Middle East, offering a full suite of support services to North Carolina businesses exporting to Gulf nations.
- Our tourism marketing division launched its award-winning "Firsts That Last" campaign featuring people visiting North Carolina for the first time and experiencing something they had never done before.

In 2018, the EDPNC also prioritized finding new ways to support economic development in the state's rural communities. For example:

- Our existing industry team presented eight regional "manufacturing resource workshops" connecting primarily rural businesses to local, state and federal resources offering everything from workforce development support to zero waste initiatives.
- Our Business Link North Carolina team of small-business counselors reached out to 1,300 startups in targeted rural counties to tell them about Thread Capital, the new nonprofit lending subsidiary of the NC Rural Center. Thread Capital offers an option for small businesses that may struggle to qualify for a traditional bank loan.
- The EDPNC board and staff convened local economic developers and civic leaders from 70 counties across the state to explore ways to strengthen five building blocks of rural economic development – infrastructure, workforce, education, health and local leadership.

The success of our efforts in 2018 is shared with members of the state's diverse economic development team, led by Governor Roy Cooper and including the North Carolina Department of Commerce, the General Assembly, regional and local economic developers and private-sector allies. We are proud to work with these partners every day to improve the economic well-being and quality of life for all North Carolinians.

Sincerely,



Frank E. Emory Jr.
Board Chairman, Economic
Development Partnership of N.C.



Christopher Chung
CEO, Economic Development
Partnership of N.C.

EDPNC BOARD

OUR NEWEST BOARD MEMBERS BRING DIVERSE INDUSTRY EXPERIENCE

In 2018, the Economic Development Partnership of North Carolina welcomed six new board members whose varied experience and backgrounds will help guide our efforts to support the creation of sustainable jobs and investment in the state.

"Our newly appointed board members have done everything from launching into space to launching entrepreneurs," said board Chairman Frank E. Emory Jr. "Like the other accomplished individuals who serve on the 17-member board, each has a commitment to fostering prosperity across North Carolina."

Those joining our board in 2018 include:

Joan Higginbotham, a Charlotte-based Collins Aerospace executive and former astronaut who was the third African-American woman to fly into space. Higginbotham is the director of defense primes and agency programs at Collins Aerospace.

Aaron Thomas, founder and president of Metcon Construction. Thomas, a member of the Lumbee Tribe of North Carolina, heads a general contracting and construction management firm based in Pembroke. Metcon was twice recognized by the U.S. Department of Commerce as Minority Construction Firm of the Year. Thomas recently served as chairman of the North Carolina State Building Commission.

Spence Broadhurst of Wilmington, president of the Eastern North Carolina region of First National Bank. Broadhurst was mayor of Wilmington from 2003 to 2006 and previously served on the North Carolina A&T State University Board of Trustees and the state Banking Commission.

Karen LeVert of Durham, CEO and cofounder of the innovation labs Southeast TechInventures and Ag TechInventures. LeVert, who commercializes promising technologies from research labs, is a North Carolina Biotechnology Center board member and currently board chair for NC IDEA, a private foundation supporting entrepreneurs.

Larry McAdams, retired founder of Construction Imaging Systems in Rocky Mount. McAdams, who also had a prior career in IBM sales, is now a partner in the Rocky Mount franchise of Express Employment Professionals. He is past chairman of the Nash County Economic Development Board of Directors and one of the founders of the entrepreneurial resource Springboard NC and the Inception Micro Angel Fund Coastal Plain.

Lee Nettles, executive director of the Outer Banks Visitors Bureau. Nettles represents the state's tourism industry, which supports nearly \$24 billion in direct annual spending and 226,000 jobs in North Carolina. He previously served as vice president of marketing for

the Cape Fear Coast Convention & Visitors Bureau.

Our board, which comprises industry and economic development leaders from throughout the state, brings deep private- and public-sector expertise to its oversight of the EDPNC. Board members work and live in a mix of rural and urban counties across the state, including Beaufort, Dare, Durham, Guilford, Lenoir, Mecklenburg, Nash, New Hanover, Onslow, Polk, Randolph, Richmond, Robeson, Rockingham, Transylvania and Wake.

Board members serve staggered terms and are appointed either by the Governor, the state Speaker of the House or the state Senate President Pro Tem.

While excited to welcome our new board members, the EDPNC remains grateful to those whose board service ended in 2018, including Jim Whitehurst, president and CEO of Red Hat; Thomas Looney, retired vice president and general manager of Lenovo; Caleb Miles, former president and CEO of the Convention and Visitors Bureau for Pinehurst, Southern Pines, Aberdeen; Robert Singer, partner and attorney with Brooks Pierce McLendon Humphrey & Leonard; and Mark Zimmerman, senior vice president of external affairs for NC Realtors.



Chairman
Frank E. Emory Jr.
*Executive VP
 and Chief Legal Officer*
 Novant Health



Secretary/Treasurer
John Kane
Founder and CEO
 Kane Realty
 Corporation



Mark Bellissimo
Managing Partner
 Tryon Equestrian
 Partners



Spence Broadhurst
President
 Eastern NC Region of
 First National Bank



Larry McAdams
Founder (Retired)
 Construction
 Imaging Systems



Karen LeVert
Co-founder and CEO
 Southeast
 TechInventures



Gene McLaurin
President
 Swink-Quality
 Oil & Gas Co.



Marie Flow Arcuri
Dealer Principal
 Flow Lexus



David Craven
Vice President
 Fidelity Bank



Mike Hawkins
President
 Pisgah Enterprises



Vimal Kolappa
Founder
 East Coast Hospitality



Lee Nettles
Executive Director
 Outer Banks
 Visitors Bureau



Joan Higginbotham
*Director of Defense Primes
 & Agency Programs*
 Collins Aerospace



Pleas McMichael
*Retired Textile
 Executive and
 Exporter*



Sheila Pierce Knight
Executive Director
 Jacksonville-Onslow
 Economic Development



Aaron Thomas
President and CEO
 Metcon
 Construction



Jeffery Turner
*Vice President
 and COO*
 Murphy Family Ventures

ENERGIZING RURAL NORTH CAROLINA

A NEW INITIATIVE OF OUR BOARD IN 2018

An employee who works a 12-hour first, second or third shift in a rural North Carolina manufacturing plant often finds it difficult to show at a doctor's office between 8 a.m. and 5 p.m.

So that same worker may suffer health issues that invite absenteeism, poor productivity and even despair. And if a rural community has many residents struggling with poor health outcomes, the local economy suffers.

Such connections between rural health and economic outcomes were explored as part of a summer 2018 conference, "Energizing Rural North Carolina: The Building Blocks of Successful Economic Development," which was spearheaded by the EDPNC's board of directors.

Nick Byrd, former manager of the McDowell County WorkFORCE Wellness program, told conference participants how his county is tackling worker health issues by bringing local paramedics and other service providers directly into manufacturers' worksites. The 2-year-old program, which is now expanding into Polk, Cleveland and Rutherford counties, provides everything from onsite physical and mental health assessments and chronic



disease-prevention tips to substance-abuse resources and offsite medical referrals.

Byrd's presentation was one of many at the two-day conference meant to inspire attendees to identify and pursue local strategies to bolster five pillars of rural prosperity — infrastructure, workforce, education, health and local leadership.

We invited economic developers from all 100 counties and the guests they identified

as local influencers. Ultimately, 165 local economic developers and civic leaders from 70 primarily rural counties attended. Speakers, sponsors and state leaders swelled attendance to over 200.

"The event emphasized ways to help move the needle in small towns and rural communities, whether they're in the farthest corners of the state or near major metro areas," said Mike Hawkins, head of the EDPNC board's rural working group, which

coordinated the conference. "It's important to understand why rural communities, each with their own assets and challenges, need to have some combination of these five building blocks in place before they can have meaningful job creation."

North Carolina-based subject matter experts spoke frankly on the challenges and opportunities within each of the building blocks. Then speakers from individual communities and organizations stepped up, many detailing a successful or promising grassroots approach to bolstering one of the building blocks.

For example, Roanoke Electric Cooperative explained a project that will provide high-speed internet infrastructure to seven underserved rural northeastern North Carolina counties. The Rutherford County Schools system outlined how it is providing a tablet or laptop to each of its 8,500 students – as the digital learning component of a broader strategy to improve the rural county's K-12 educational outcomes.

The Wilson Academy of Applied Technology discussed its partnership with local manufacturers that created a public high school centered on advanced manufacturing. As the school begins producing tech-adept graduates, it will help local employers grow their own workforce.

The EDPNC also brought in national speaker Andrew M. Davis. He shared insights from his book "Town INC.," based on his travels to 54 U.S. towns and cities to discover why some prosper while others struggle.

Successful communities identify what is already unique to them and working, then they market it, Davis said. They also tap "visionaries in their midst," he said, such as YouTube star Jenny Doan, whose quilting startup has helped revitalize rural Hamilton, Missouri, by turning into a quilting mecca.

Gov. Roy Cooper, state Sen. Harry Brown and state Rep. Jason Saine made opening remarks at the conference, which the EDPNC presented in partnership with the North

Carolina Department of Commerce, the NC Rural Center, the Golden LEAF Foundation, the Institute for Emerging Issues at North Carolina State University and the North Carolina Economic Development Association. Event sponsors included North Carolina's Electric Cooperatives, First Bank and the North Carolina Bankers Association.

Surveyed attendees gave the conference an average satisfaction rating of 4.7 out of a possible 5.

"We got a ton out of the Energizing Rural NC event," said David Jackson, president and chief executive officer of the Boone Area Chamber of Commerce. "So we thought, 'What if we did that with a focus on northwest North Carolina and the way things work in our region?' "

In May, the Boone chamber, Watauga County Economic Development and Appalachian State University will convene economic development, chamber and business leaders from 12 northwest North Carolina counties to explore leadership and workforce education and training.

Meanwhile, the EDPNC is planning another event in 2019, this time focusing on the single building block of rural workforce development.

"In 2018, our staff and board conceived the idea of a conference based on our interest in growing the state's rural economy," Hawkins said. "We've been energized ourselves by being able to create such a tangible asset for the state's rural economic developers."

"THE EVENT EMPHASIZED WAYS TO HELP MOVE THE NEEDLE IN SMALL TOWNS AND RURAL COMMUNITIES."

Mike Hawkins
EDPNC Board Member



BUSINESS DEVELOPMENT & RECRUITMENT

**IN 2018, NORTH CAROLINA BROUGHT IN THE SECOND-HIGHEST TOTAL
OF STATE-SUPPORTED JOB ANNOUNCEMENTS OVER THE PAST DECADE.**

PIPELINES OF PROSPERITY

TWO STRONG YEARS IN JOBS RECRUITMENT INSPIRE THINKING AHEAD

143

projects recruited by the EDPNC and partners in 2018.

19,541

new jobs announced.

\$3.53 BILLION

in announced investment.

Although 2018 was another banner year for new jobs recruited to North Carolina, the EDPNC's business development and recruitment teams aren't resting on the results.

"Last year, North Carolina rang up its second-highest total of state-supported job announcements over the past decade, nearly matching the 20,000 new jobs announced in 2017," said David Spratley, EDPNC vice president for business recruitment. "But we must be even more proactive in 2019 and beyond, especially if any slowdown in national economic growth affects project flow."

The EDPNC, working with our state and local partners, helped close deals on 143 new corporate location and expansion projects, resulting in the announcement of 19,541 new jobs and \$3.526 billion in investment. In 2017, those tallies were 150 projects, 19,999 jobs and \$4.14 billion in investment.

To fuel that momentum, in 2018 the EDPNC significantly expanded its business development team, which proactively connects with companies that may be poised for a U.S. expansion. "They cultivate relationships with corporate decisionmakers and, in the process, develop qualified project leads for our business recruiters to actively pursue for North Carolina," Spratley said.

Last year, the business development team established a new office in India – to generate more foreign direct investment from that part of the world – and added three positions at EDPNC headquarters in Cary. One position, formerly housed within the state Department of Commerce, focuses on the outdoor recreation industry.

"With the addition of our India office and the growth of our North Carolina-based team from three positions to six, we've beefed up our resources for generating new leads for investment," said Ryan Nance, EDPNC director of business development.

Two EDPNC teams are dedicated to winning over companies actively considering North Carolina. Spratley's statewide business recruiters focus on projects bringing in companies new to the state, while also courting the larger expansions of businesses already operating here. Our existing industry team supports expansions of businesses already in the state.

Of the state's 143 project wins in 2018, 69 percent were in more rural Tier 1 and Tier 2 counties. Those projects are expected to create 7,411 new jobs and \$1.69 billion in new investment. The state assigns tiers to all 100 counties as a measure of their economic well-being, with Tier 3 counties being the least economically challenged.

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BUSINESS RECRUITMENT: BY THE NUMBERS

A BREAKDOWN OF OUR 143 PROJECTS

The EDPNC, working with local and state partners, helped close deals on 143 business recruitment and expansion projects in 2018. These project wins are expected to create the following in North Carolina over the next several years:

19,541

new jobs

\$3.53 BILLION

in new capital investment

\$1.3 BILLION

in new annual payroll

Foreign Direct Investment

2,517

of total announced jobs from investment by foreign-based companies

\$850 MILLION

of total announced investment from foreign-based companies

New Facility Projects

11,928

of new jobs are connected to new or existing companies in North Carolina establishing new facilities in the state

\$1.86 BILLION

of planned investment is connected to companies establishing new facilities

38%

of project wins are new facilities in the state

Expansion Projects

7,613

of new jobs are companies expanding an existing North Carolina facility

\$1.67 BILLION

of planned investment is connected to expanding existing facilities in the state

62%

of project wins are expansions of existing facilities in the state

BUSINESS EXPANSIONS AND RECRUITMENT IN 2018: A CLOSER LOOK

Announced Projects by Industry
54 announced projects from new facilities and 89 from companies expanding existing facilities in North Carolina



Announced Projects by Industry

■ Manufacturing/Assembly	98
■ Service/Sales	12
■ Warehouse/Distribution	8
■ Corporate Headquarters	11
■ Other	14

Announced Jobs by Industry
11,928 from new facilities and 7,613 from companies expanding existing facilities in North Carolina



Announced Jobs by Industry

■ Manufacturing/Assembly	6,248
■ Service/Sales	2,066
■ Warehouse/Distribution	4,328
■ Corporate Headquarters	3,997
■ Other	2,902

Announced Investment by Industry
\$1.86 billion from new facilities and \$1.67 billion from companies expanding existing facilities in North Carolina



Announced Investment by Industry

■ Manufacturing/Assembly	\$1.69B
■ Service/Sales	\$155M
■ Warehouse/Distribution	\$850M
■ Corporate Headquarters	\$435M
■ Other	\$396M

2018 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 is a sampling of announced projects the teams supported in 2018. Asterisks denote companies moving into the state for the first time or existing businesses adding another corporate facility here.

Company	County	Jobs	Investment	Industry
AvidXchange	Mecklenburg	1,229	\$41M	Information Technology
Publix Super Markets*	Guilford	1,000	\$300M	Warehouse/Distribution
Honeywell*	Mecklenburg	750	\$248M	Information Technology
National General Insurance*	Forsyth	626	\$12.2M	Business/Financial Services
Pendo*	Wake	590	\$34.5M	Information Technology
Sonic Automotive*	Gaston	500	\$11.2M	Automotive
House of Raeford Farms	Duplin	488	\$75M	Food (Poultry Processing)
LendingTree	Mecklenburg	436	\$60.8M	Business/Financial Services
Advance Auto Parts	Wake	435	\$5.47M	Automotive
POLYWOOD*	Person	384	\$35.3M	Furniture
Corvid Technologies*	Iredell	367	\$28.9M	Military/Defense
Albaad USA	Rockingham	302	\$45M	Textiles
RiceWrap Foods*	Granville	305	\$9.9M	Food
Booz Allen Hamilton	Cumberland	208	\$5M	Military/Defense
Isotopes Technologies Garching*	Catawba	137	\$12M	Medical (Radiopharmaceutical)



Charlotte Mayor Vi Lyles speaks at the event announcing AvidXchange's 1,229-job project. Below, Pendo CEO Todd Olson reveals big plans for growth in Raleigh.



FORTUNE 500 MOVES

HONEYWELL AND ADVANCE AUTO MOVE HEADQUARTERS TO NORTH CAROLINA



Gov. Roy Cooper announces Honeywell's new global headquarters.

North Carolina closed out 2018 on three high notes: We added two Fortune 500 company headquarters to the roster of those already in the state, and we once again ranked as Forbes magazine's Best State for Business.

And all that good news came over just a few days.

The Economic Development Partnership of North Carolina and its local and state partners helped convince Fortune 100 company Honeywell and Fortune 500 Advance Auto Parts to relocate their home offices to North Carolina.

Winning the headquarters of companies on Fortune magazine's list of the nation's most profitable businesses "is a great asset in recruiting more of the same," said David Spratley, EDPNC vice president for business recruitment.

"It strongly confirms to others that the North Carolina market can support the needs of major global and domestic headquarters," Spratley said. "And the corporate executives

who fly frequently between headquarters here and offices around the world raise North Carolina's profile with just the right audience of top decisionmakers."

"That sort of traffic also encourages the growth of airport flights and connections to key points around the world, which is another thing CEOs value when considering where to locate or expand," he said.

Corporate headquarters not only bring higher salaries into a community but also spur more work for the professional service companies they hire.

Honeywell, a diversified technology and manufacturing company that develops software-

oriented solutions for many of the world's most complex industries, announced Nov. 30 that it was relocating its global corporate headquarters from Morris Plains, New Jersey, to Charlotte.

The international company is expected to create 750 well-paying jobs in Charlotte over five years and invest more than \$248 million in the city. As part of the move, Honeywell also relocated the headquarters of its Safety and Productivity Solutions business group from Fort Mill, South Carolina, to Charlotte.

Honeywell plans to hire 500 employees for its new headquarters, while transferring 150 to 200 senior-level executives from New Jersey to Charlotte and about 100 positions from South Carolina.

Two days before Honeywell's decision became public, Advance Auto Parts announced it was moving its corporate headquarters from Roanoke,

Virginia, to Raleigh. Over five years, Advance Auto plans to add 435 new jobs to more than 700 already located in Raleigh and invest \$5.4 million there.

Advance Auto provides aftermarket automotive parts to professional installers and do-it-yourselfers. Its Raleigh-based team will lead the company's continued development of technology, eCommerce and digital platforms.

Right after the welcome news of two Fortune-listed companies moving into the state, Forbes revealed North Carolina was No. 1 on its highly regarded 2018 Best States for Business list, the same top spot we held in 2017.

No doubt Honeywell and Advance Auto were attracted to North Carolina by some of the business assets cited by Forbes, including a highly educated labor supply as well as tax, energy and labor costs that are all well below the national average.



Gov. Roy Cooper welcomes Advance Auto Parts CEO Tom Greco.

RICEWRAP FOODS

SUSHI RICE INNOVATOR ADDS NEW FLAVOR TO INDUSTRY MIX

When innovative startup RiceWrap Foods announced in 2018 that it was locating a \$9.9 million processing plant expected to create 305 new jobs in Butner, it was a big win for rural Granville County.

RiceWrap uses a trade-secret method of preparing frozen rice sheets for sushi. The distinctive food processor adds something new to the industry makeup of Granville County, which is already home to large manufacturing operations including Revlon's cosmetics plant, Bridgestone Bandag's retread plant and CertainTeed's asphalt shingle plant.

"RiceWrap adds a unique element to the mix of industry, and the local community was enthusiastic about the number of jobs," said

EDPNC Business Recruitment Manager Laura Lee, whose focus is on recruiting new food-processing operations for North Carolina. "It's also an innovative company that aligns with current trends in the food sector toward alternative protein or vegetarian products that use natural ingredients."

The company's thawed rice sheets offer the taste, stickiness and the precise pH levels required for sushi items provided by restaurants, retailers and caterers, as well as food-management companies serving universities, health-care facilities and corporate cafeterias.

Harry Mills, director of the Granville County Economic Development Department, welcomes the additional jobs and diversity RiceWrap brings to the county and Butner in particular, a town of 7,700 where several area prisons are a major local employer.

"Granville County has a strong manufacturing base, which complements our agricultural operations, and some of our manufacturers

have expanded in recent years," said Mills, who was tapped to lead the county's economic development efforts in 2014. "But RiceWrap is the first food-related industry to come into the county during my tenure."

Mills added that "food-processing companies that pay solid wages are a good fit for Granville" and four neighboring rural counties that make up the Kerr-Tarr Regional Council of Governments.

Lee worked with Mills to support RiceWrap's ultimate choice of a building at Butner's Falls Lake Commerce Center over two sites the company was considering in Virginia. Easy access to I-85, a ready-to-go existing building, and quick state turnaround on an incentives offer all played into RiceWrap's choice.

RiceWrap would be distinctive in any location. Founders Richard Cronk and his son, Kyle, developed their frozen sushi rice out of a test kitchen in Raleigh. As former restaurant owners, they noticed the difficulty of making sushi rice of consistent quality.

"IT'S ALSO AN INNOVATIVE COMPANY THAT ALIGNS WITH CURRENT TRENDS IN THE FOOD SECTOR TOWARD ALTERNATIVE PROTEIN OR VEGETARIAN PRODUCTS THAT USE NATURAL INGREDIENTS."

Laura Lee
Business Recruitment Manager
Economic Development Partnership of North Carolina



Their solution has grown into a company that now supplies customers including a major food-service management company, Notre Dame University, and high-end retailers including Whole Foods and Lunds & Byerly's.

But it was tuna giant Bumble Bee Seafoods' \$12 million investment that catalyzed RiceWrap's decision to relocate from Raleigh into the Butner plant.

"Bumble Bee saw our rice at the Boston

Seafood Show in 2017 and just flipped out that someone could make sushi rice, freeze it and have it fully come back," Richard Cronk said. "And it dovetailed with some of the things that Bumble Bee was trying to do with sushi protein. We were a perfect fit for them, particularly on a retail basis."

Bumble Bee will provide fish protein for new retail products RiceWrap is planning. They include a sushi pack with all the ingredients to make four to six rolls, Cronk said.

A thawed RiceWrap Foods white sushi rice sheet on a bamboo rolling mat.

Lee provided RiceWrap several site options to consider for the plant — including the Butner building that Cronk had identified and ultimately chose. She also helped the company navigate the incentives process.

"The Butner site rose to the top because, for all intents and purposes, it was a brand new existing building, had the number of bays needed and was within 100 yards of I-85. We're right at the exit, which is ideal," Cronk said.

North Carolina also moved faster than Virginia in presenting incentives, Cronk said. "We had to know that we could be up and running quickly."

The expansion announcement came just four months after RiceWrap's project consultant first reached out to the EDPNC in October 2017. Ultimately, the project qualified for a North Carolina Job Development Investment Grant of up to \$1.9 million spread over 12 years, if it meets annual hiring targets. Granville County and the town of Butner provided local matching incentives.

"Everybody has been great," Cronk said of the support he has received from state, county and town officials. "It's made life easier."



SWEETENED
CONDENSED MILK
1/2 GALLON
\$1.99

NC PRODUCTS
Carrots
\$2.00
per bundle
or Per Penny Bag

Pure Honey
Wildflower
1/2 Gallon
\$1.99

Pure Honey
Clover
1/2 Gallon
\$1.99

Pure Honey
Buckwheat
1/2 Gallon
\$1.99

Spring
Carrots
\$1.99



VALUE-ADDED FOOD PROCESSING

BUSINESS RECRUITER FOCUSES ON PROMISING SECTOR

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The EDPNC is strongly committed to supporting the growth of food processing and manufacturing in North Carolina, through the work of our business recruiter dedicated to that mission.

In January 2017, Laura Lee joined the EDPNC to fill a new position focused on recruiting food and beverage manufacturing operations, particularly value-added processors using local crops in their final product.

"We grow over 80 commodities, and a large percentage of what is grown in North Carolina is shipped out of the state to be further processed," Lee said. "We have a tremendous opportunity to further process more of what is grown throughout North Carolina."

In 2014, a state-commissioned study summarized the economic promise of expanding food processing in the state. If the state took certain steps to "catalyze" growth in food and beverage processing, according to the study, North Carolina could create 38,000 jobs and boost the state's economic output by \$10.3 billion annually by 2020.

A statewide food manufacturing task force that convened after the study issued several recommendations, including creating Lee's food-industry focused recruiting position.

Lee's work includes proactively identifying

and cultivating leads among domestic and foreign food processors considering new U.S. operations. Her tactics include promoting the state's assets at industry events, meeting with food-focused site consultants, and connecting with companies that may require East Coast-based facilities.

She works closely with partners such as the North Carolina Department of Agriculture and Consumer Services and North Carolina State University. In fact, she is currently providing marketing support to the new North Carolina Food Innovation Lab opening in 2019 at the North Carolina Research Campus in Kannapolis.

The NC State facility's labs will enable a company to develop plant-based food concepts and test products before scaling up. It will help both startups and established companies more rapidly launch new products.

"It will also give us another strong recruiting tool as we stress North Carolina, which is already recognized in meat processing, wants to be on the cusp of new product research and development within plant-based food," Lee said.

One overriding goal inspires Lee's work. "Our vision for food manufacturing within North Carolina is to lead the nation in value-added food and beverage production," she said.

HITTING THE ROAD TO STRENGTHEN TIES WITH LOCAL ECONOMIC DEVELOPERS

“THE NC 100 INITIATIVE HAS INCREASED THE FACE-TO-FACE, RELATIONSHIP BUILDING MOMENTS.”

Julie Pruett

*Director of Business Recruitment
Catawba County Economic
Development Corporation*

The EDPNC’s statewide business recruiters traveled across North Carolina in 2018 – to meet one-on-one with local economic developers in their home communities, hear updates on available buildings and industrial properties, and strengthen partnerships that help bring new jobs to North Carolina.

Throughout the year, our NC 100 events send our full team of statewide business recruiters and other key EDPNC staff into communities for one- to two-day regional gatherings. We invite economic developers from all 100 counties to meet with us at the nearest event.

In 2018, the program’s third year, the EDPNC coordinated NC 100 gatherings in seven different regions covering the entire state. Officials representing 76 counties attended.

“Before NC 100, local economic developers would have to drive to the Raleigh area for meetings to update the state’s full team of recruiters, and I’d estimate no more than 20 counties a year

would make that trip,” said David Spratley, EDPNC vice president of business recruitment.

Year-round, any one of the EDPNC’s statewide business recruiters will be working with a city or county partner on a specific project, to identify the best site for a company considering North Carolina.

“But regularly going into communities deepens our entire team’s understanding of them and improves our partnerships,” Spratley said. “That insight and relationship-building help us compete for projects when the time comes.”

In 2018, 17 counties sent local economic developers to the NC 100 event held in Wallace (covering the state’s Southeast region). Representatives of 13 counties participated in the Wilson gathering (North Central/Triangle); 10 counties in the Reidsville event (Piedmont-Triad); nine in the Gastonia event (Southwest); eight in the Brevard event (West); 10 in the Marion event (Northwest); and nine in

the Greenville event (Northeast).

Wanda Edwards Yuhas, executive director of the Pitt County Development Commission, met with our business recruitment team in Greenville. “I’ve been here 30-plus years, and I think this is the most effective format we’ve had,” she said. “The EDPNC’s developers clearly want to know us, our counties, and do the best job they can for all of us.”

Since introducing NC 100 in late 2015, Spratley said, “we’ve accomplished our goal of getting valuable firsthand knowledge about the distinctive industrial, building and other assets of urban and rural communities across the state. Now NC 100 has evolved into something that is strengthening relationships with our local partners and enabling us to discuss fresh ideas on how to better work together.”

Julie Pruett, director of business recruitment for the Catawba County Economic Development Corporation, attended NC 100 in Marion.



Mark Pope, former executive director of Lenoir County Economic Development, Amanda Conner, business development specialist at the North Carolina Global TransPark, and Keely Koonce of Lenoir County Economic Development speak with EDPNC staff at NC 100.

"As any economic developer will tell you, our industry is based on relationships," she said. "The NC 100 initiative has increased the face-to-face, relationship-building moments we share with EDPNC business recruiters."

At NC 100 events, each local economic development group sets up its own table. Then one or two EDPNC recruiters at a time pull up a chair for a

conversation before moving on to the next table and ceding their place to the next EDPNC recruiter in line.

"We discuss what the local economic developer wants to discuss," Spratley said. "They might go through a presentation of their available sites and any updates or discuss a unique way they are handling a workforce challenge. Or, what went right

or wrong with a project we've worked together on."

Pruett said "the one-on-one table conversations allow a deeper discussion about our products and programs with each developer, and we appreciate their effort to meet us on 'our turf' and explore our communities."

NORTH CAROLINA'S OVERSEAS FDI OFFICES



INDIA



JAPAN



SOUTH KOREA



CHINA



GERMANY

AN EXPANDING GLOBAL REACH

NEW INDIA OFFICE WILL HELP FUEL FOREIGN INVESTMENT

After several years of significant growth for Indian investment in the state, in 2018 the Economic Development Partnership of North Carolina opened its first overseas office committed to identifying and attracting corporate investors from India.

"We're among a handful of states to establish an office in India dedicated to cultivating foreign direct investment," said Ryan Nance, director of the EDPNC business development division, which supervises the state's five contracted overseas investment offices.

With the addition of our Bangalore office, the EDPNC now has foreign direct investment (FDI) representatives located in India, Germany (covering Europe), China, South Korea and Japan. They focus on attracting corporate investment in North Carolina from markets in those regions of the world.

In addition to its foreign offices, the business development division includes Nance and his staff of five based at EDPNC headquarters in Cary.

Their combined mission: To proactively generate leads for international and domestic business recruitment projects. The team identifies companies that may be poised for a U.S. expansion and develops relationships with their leadership. Once a lead develops into an active project, it's turned over to an EDPNC business recruiter to present site options.

In 2018, the team identified 325 leads overall; 67 of those developed into qualified recruitment or expansion projects actively pursued by the state. That's an increase over 2017, when the team referred 55 qualified leads for targeted recruitment.

WHY INDIA, WHY NOW?

For the past several years, EDPNC Chief Executive Officer Christopher Chung has been interested in adding India — one of the fastest-growing economies in the world — to the state's roster of overseas FDI offices.

"Indian investment in the U.S. generally — and in North Carolina specifically — has grown substantially," Chung said. "There's opportunity to attract more of the same to our state, because we have strong industry sectors that align with Indian interests including IT, pharmaceuticals, textiles, food processing, automotive and aviation. In the big area of IT consulting, our central East Coast location and tech talent appeal to global companies that want to nearshore facilities closer to their existing U.S. customers."

North Carolina has led many other states in Indian investment over the past five years. From 2014 through 2018:

- Indian companies announced over \$409 million in capital investment and 4,400 new jobs in North Carolina, according to Bureau van Dijk, a Moody Analytics company.
- North Carolina ranked No. 1 among all states for the number of announced jobs connected to Indian FDI.
- North Carolina was No. 2 in the Southeast and No. 3 nationwide for the total capital investment announced by Indian companies.

"INDIAN INVESTMENT IN THE U.S. GENERALLY – AND IN NORTH CAROLINA SPECIFICALLY – HAS GROWN SUBSTANTIALLY."

Christopher Chung

CEO

Economic Development Partnership of North Carolina

Announcements by India-based companies in recent years have made big headlines in North Carolina, such as information technology giant Infosys choosing Raleigh in 2017 for a 2,000-job innovation and technology hub. Others include IT services company HCL Technologies' 1,237-job expansion in Cary; Aurobindo Pharma's 275-job research and development headquarters in Durham; and technology services firm Zensar's new customer delivery center, which is expected to create up to 200 new jobs in Durham.

There's also Glenmark Pharmaceuticals, which announced its first U.S. manufacturing facility in Monroe outside Charlotte in 2014. The \$100 million facility currently employs nearly 170 people.

While urban areas have attracted most of the Indian investment, several projects have been announced in rural communities. They include AR Textiles' factory in Martin County and

Mumbai-based Mahindra Vehicle Sales and Service's choice of Henderson County for its North American office headquarters.

The EDPNC's new FDI office opened Nov. 1 in Bangalore. Rahul Padmanabha is North Carolina's FDI representative there. Padmanabha was previously India investment lead for SelectUSA, a division of the U.S. Department of Commerce dedicated to connecting companies around the world to investment opportunities in the U.S.

"Like all our FDI representatives around the world, Rahul will identify prospects and promote North Carolina through marketing events, conferences and one-on-one meetings with corporate leaders," Nance said. "We'll also connect to companies that are common touchpoints for these corporations when they explore expansion, such as law firms, immigration firms, accounting or construction companies."



EXISTING INDUSTRY SUPPORT

HELPING EXISTING BUSINESSES THROUGHOUT THE STATE OVERCOME BARRIERS TO FUTURE GROWTH AND,
WHEN THEY ARE READY, LAUNCH FORMAL EXPANSIONS.

OUR DOOR-TO-DOOR TEAM

VISITING MANUFACTURERS TO HELP THEM GROW

1,161

companies were assisted by this EDPNC team and its partners in 2018.

3,446

new jobs announced through recruitment and expansion projects supported by this team.

\$1.26 BILLION

in investment announced through recruitment and expansion projects supported by this team.

Members of our existing industry team routinely show up at the door of manufacturers across the state to ask a straightforward question: What is standing in the way of your ability to grow?

The team – made up of eight regional industry managers – connects primarily small- to medium-sized businesses already operating in North Carolina to diverse resources that solve immediate problems. When issues that cost a company in efficiency or revenue are solved, it is better positioned to add employees down the road.

Each manager lives and works within one of eight multicounty Prosperity Zones that cover all 100 counties in the state. Managers regularly visit the businesses within their respective zones – primarily manufacturers — to meet their leadership, tour facilities, ask questions and assess their needs.

The EDPNC's regional industry managers connect existing businesses to state and other resources that can help them find or train qualified workers, secure grants to renovate buildings, implement lean manufacturing practices, reduce waste and more. When these businesses are ready to launch a formal expansion, our regional industry managers support the project on the state's behalf.

The team has an outsized impact in rural

counties. Working with local and state partners, regional industry managers assisted 1,161 businesses in 2018, with 71 percent located in generally rural Tier 1 and Tier 2 counties. The state assigns tiers to counties based on economic well-being, with the most prosperous counties such as Wake and Mecklenburg designated Tier 3.

In 2018, the regional industry managers assisted 821 businesses in Tier 1 and Tier 2 counties, compared to 771 in 2017.

The team's emphasis on onsite plant visits not only identifies barriers to a business' growth, but also establishes a personal relationship between a company's leadership and its local EDPNC contact.

Of the 1,161 businesses the existing industry team supported in 2018, 76 projects involved expansions expected to create 3,256 jobs and \$1.14 billion in investment. The team supported an additional seven projects involving newly recruited businesses creating 190 jobs and \$111 million in investment.

In 2018, for example, the team worked with partners to support Booz Allen Hamilton's announced 208-job, \$5 million expansion in Cumberland County. The technology consulting firm will pay salaries averaging \$62,000 for the new positions, well exceeding the county average of \$35,434 a year.

EXISTING INDUSTRY SUPPORT

FAR AND WIDE: WORKSHOPS SPREAD WORD OF BUSINESS SUPPORT RESOURCES

When Robert Adcock attended an EDPNC manufacturing resource workshop in June 2018, he knew his employer in rural Person County wanted to increase its exporting activity and that exhibiting in international trade shows was essential.

But the vice president of Carolina Pride Carwash Systems and Solutions didn't know his company could tap federal grants to help support trade show participation.

"I learned the grants were available at that workshop in Oxford," said Adcock, vice president at Carolina Pride, which supplies industrial-grade car wash equipment and is headquartered in unincorporated Timberlake.

The EDPNC existing industry team introduced the regional workshops in 2018 to spread awareness of local, state federal resources available to support the growth of small businesses, particularly in the state's rural communities.

"We want more manufacturers and other businesses in our rural counties to take advantage of what we and our partners can offer to support their success and, ideally, help position companies to add jobs down the road," said John Loyack, EDPNC vice president supervising the existing industry team.

With the help of the EDPNC, Carolina Pride successfully applied for grants covering certain costs related to exhibiting at two car wash industry-focused international trade shows in 2018 — one in Australia and another in Dubai, United Arab Emirates. Both Australia and the Middle East are priority new markets for the company.

The Oxford event targeted businesses from 15 counties in the state's North Central Prosperity Zone.

The EDPNC has eight regional industry managers — each assigned to support existing businesses within one of the eight multicounty zones.

"Because of their regular plant visits to help local manufacturers address a variety of issues, regional industry managers are our boots on the ground, particularly in rural counties," Loyack said. "The workshops we added in 2018 were another level of outreach."

EDPNC services and partners were well represented at the half-day workshops held in each of the eight zones. Presenters included the EDPNC international trade team outlining services to help businesses export — including grants, export education seminars, market research and more. The state community college system discussed customized workforce training programs.

The workshops also featured the state Department of Commerce's NCWorks division outlining services including employee recruitment and screening.

Other presenters included North Carolina State University's Industry Expansion Solutions reviewing how it can help





companies streamline production processes. The state Department of Environmental Quality addressed permitting questions, recycling programs and more.

All told, 89 companies attended the workshops. In addition to Oxford, regional manufacturing resource events were held in Morganton, Kinston, Laurinburg, Yadkinville, Williamston, Charlotte and the unincorporated community of Marble in Cherokee County.

"In many cases, we chose smaller communities within each region to reach into the most rural areas," Loyack said. "In addition, several of the events had a particular focus, such as workforce development or zero waste initiatives or targeting a particular industry."

Robert Adcock, vice president of Carolina Pride Carwash Systems and Solutions.

For the regional event in Charlotte, the EDPNC teamed with the North Carolina Biotechnology Center to jointly present a forum for medical technology manufacturers.

The events built awareness while starting key conversations.

At the Oxford workshop, for example, Adcock invited EDPNC Regional Industry Manager Harry Swendsen and EDPNC International Trade Manager Blake Jackman to visit Carolina Pride, in part to further discuss the federal State Trade Expansion Program (STEP). The EDPNC administers the grant program in North Carolina.

Ultimately, Carolina Pride was approved for \$3,000 in STEP reimbursement for travel costs associated with exhibiting at Car Wash Show Australia in Melbourne in October, as well as a \$4,275 STEP grant to offset the company's booth registration and setup costs at the Gulf Car Wash Car Care Expo at the Dubai World Trade Centre in November.

At the Dubai event, the company also launched its most compact self-serve, single-bay car wash system.

"The MINIMAX was specifically designed and manufactured with the Dubai and larger Middle East market in mind," said Dustin Brann, Carolina Pride international sales manager. "In Dubai, there are many car collectors and a large interest in sports cars. Our system can be used by the collector or by municipal police forces and the like."

Adcock was happy to learn of the grant support available to Carolina Pride, which employs roughly 65 people in North Carolina and South Carolina.

"We've been in Person County for 50 years, and most of our exports go to Canada," he said. "But we're always looking to expand our business."

ONE COUNTY, SIX EXPANSION PROJECTS

A STRONG PARTNERSHIP SUPPORTS SUCCESS IN RANDOLPH COUNTY

The Economic Development Partnership of North Carolina's work with Randolph County illustrates how a strong local and state partnership supports the growth of smaller manufacturers located in rural communities.

In 2018, six manufacturers — assisted by Tracy Dellinger of the EDPNC and Kevin Franklin of the Randolph County Economic Development Corporation — announced expansions expected to create up to 113 new jobs and over \$5 million in new capital investment in Randolph County.

"In my six-year tenure here, we've never had this volume of projects close in a single year," said Franklin, vice president of the county economic development organization and a familiar face to local companies. He makes 100 to 150 visits to local companies each year, building relationships that support their growth down the road.

Most are manufacturers. And when Franklin stops by, he asks about their operations and where they need support. If a company is poised for an expansion and needs state help getting there, Franklin reaches out to Dellinger, a regional existing industry manager with the EDPNC. "I get Tracy involved immediately and make sure she and I schedule a follow-up visit together to the business."

Dellinger visits roughly 150 companies a

"IN MY SIX-YEAR TENURE HERE, WE'VE NEVER HAD THIS VOLUME OF PROJECTS CLOSE IN A SINGLE YEAR."

Kevin Franklin

Vice President

Randolph County Economic Development Corp.

year in serving her 11-county region. She is a liaison to state business-support resources that include various grant opportunities, workforce development programs and more.

In 2018, Dellinger helped city and county government officials shape successful applications for state building-reuse grants supporting all six expansions announced in Randolph County. Such grants can upfit a vacant building or help fund an addition to a company's existing plant.

"Kevin loops me in immediately, which helps present the best possible case for grant support," Dellinger said.

As soon as she gets Franklin's call about a possible expansion, Dellinger sends the manufacturer the state's required "project

summary form," and she and Franklin arrange their joint visit.

"We like to sit down with the company to best understand what's going on," Franklin said. "To walk the plans on the grounds of the facility — to understand where the congestion areas are, where the expansion plays in and what it's going to accomplish."

"Tracy provides that direct interface between the company and state," he said. "She answers the more technical questions and helps the company understand specifically how the programs work. She works with businesses directly to make sure the information they provide on the project summary form is relevant."

"We don't just talk about the expansion,"



Dellinger said of her visits and calls with the company. "We also talk about other opportunities down the road. I'll ask if they export, and tell them about EDPNC services to support their overseas sales. Then I can connect them to our trade division. Or we may talk about workforce training support."

Franklin makes Dellinger's job much easier. "Kevin has built such good relationships with his existing industry. He is out meeting and talking with companies all the time," Dellinger said. "And we have confidence in each other to pull the pieces together."

Another good judge of their partnership is PEMMCO Manufacturing in Asheboro, which the pair assisted in launching a 15,000-square-foot plant expansion in 2018. That work included helping the city successfully apply for a \$250,000 building reuse grant to support the project, which will add 20 jobs to the company's current local workforce of 86. PEMMCO also plans to invest \$650,000 in the expansion and \$500,000 for new equipment.

"The thing that impressed me is how well those two worked together," said Rick Powell, president of the precision machining company that serves the aerospace, automotive,

Rick Powell, president of PEMMCO Manufacturing in Asheboro, stands behind employee Carol Parker as she assembles video arms for aerospace industry use.

lawn and garden, firearms and heavy truck industries. "They told me, 'Here's what we can do. We can provide you all the information and pull a proposal together. We've just got a couple of very simple questions.' They made it simple."

State building reuse grants issued to local governments to support job-creating projects require a 5 percent local match. For the PEMMCO expansion, Randolph County and the city of Asheboro split the \$12,500 match.

As part of the grant-pursuit process, Franklin and Dellinger arranged for necessary meetings between PEMMCO and local and state officials.

Aside from PEMMCO, company expansions the pair supported in 2018 included: Liberty Trailers, a \$2.9 million project that will add 24 jobs to the company's 26-person workforce in Liberty (with plans for another 24 jobs over five years); Engineered Steel Products in Sophia, a 10-job, \$750,000 expansion at its 40-employee plant; Ambella Home Collection in Archdale, a 12-job, \$281,000 expansion of its 45-employee plant; Trinity Furniture, an 11-job, \$254,000 expansion of its 84-employee Trinity plant; and EG Industries, a 12-job, \$240,000 expansion at its 84-employee Seagrove plant.

A man and a woman are standing in a workshop or laboratory. The man, on the left, is wearing a white lab coat and glasses, and is looking towards the woman. The woman, on the right, is wearing a dark jacket and glasses, and is looking towards the camera. They are standing in front of a desk with a computer monitor and keyboard. In the background, there are shelves with various items and an "EXIT" sign.

INTERNATIONAL TRADE

OUR INTERNATIONAL TRADE TEAM OFFERS BUSINESSES SUPPORT INCLUDING EXPORTING WORKSHOPS, TRADE SHOW ASSISTANCE, INTRODUCTIONS TO FOREIGN DISTRIBUTORS AND MORE.

BUILDING BUSINESS BEYOND OUR BORDERS

TRADE TEAM HELPS MORE COMPANIES INCREASE FOREIGN SALES

592

businesses were assisted with exporting by the EDPNC.

\$958 MILLION

in exports were reported by businesses supported by the EDPNC.

94

counties had companies supported by the team.

North Carolina businesses turn to our international trade team for support that ranges from gathering intelligence on the best international markets for their products to coordinating their participation in the most promising trade shows for overseas sales.

The team helps primarily small- to medium-sized businesses develop new exporting opportunities – free of charge. It includes five North Carolina-based international trade managers – each of whom specializes in specific industry sectors – and trade offices located in Canada, Mexico, Europe, Japan, China (Hong Kong) and United Arab Emirates.

The team's services include providing seminars on export documentation and licensing requirements; connecting companies to export financing resources; and leading groups of businesses to international trade shows while arranging meetings there with potential buyers and distributors.

In 2018, the team assisted 592 North Carolina companies in 94 counties – businesses that reported \$957.7 million in export sales during the year. The results exceed 2017 totals, when the team supported 559 companies in 80 counties. Those businesses reported \$889.6 million in foreign sales.

The team prioritized expanding awareness of its services in rural counties in 2018. "We

looked at the last five years to identify those counties whose businesses had the least interaction with our trade team," said Mike Hubbard, EDPNC director of international trade. "We pinpointed 13 counties – Anson, Ashe, Bladen, Camden, Clay, Gates, Hertford, Hyde, Jones, Northampton, Pamlico, Perquimans and Sampson."

"So far, we've visited with 20 companies from 12 of those counties," Hubbard said. "We've provided them requested information on international markets, introduced them to our foreign trade offices and assisted at least two in participating in a trade mission or trade show."

The team's customary outreach included its annual Go Global Road Show, where all the state's foreign-based trade representatives travel to North Carolina to meet individually with businesses over four days. These consultations dive deeper into whether a particular foreign market is a good fit for a company's product or service. In 2018, more than 80 companies sent representatives to meet directly with our international trade representatives during road show stops in Kannapolis, Asheville, Greensboro and Cary.

Also in 2018, 91 companies sent employees to our export-education seminars held in Greenville, Hickory, Kannapolis, Charlotte and Fayetteville.

A WORLD OF OPPORTUNITY

INTERNATIONAL TRADE TEAM ACTIVITY AND OFFICES

The EDPNC's international trade division, which employs trade specialists located in North Carolina, Canada, Mexico, Europe, Japan, Hong Kong and United Arab Emirates, coordinates and leads the participation of North Carolina companies in international trade shows. More than 140 companies attended 32 international trade events with the EDPNC in 2018. This map highlights several of those events and the companies' estimates of sales they expected to close by attending.



32

Major trade shows attended by groups of companies led by the EDPNC

144

The number of companies that attended international trade events with the EDPNC

\$17.3M

Companies' total projected amount of sales from participating in trade shows with the EDPNC in 2018

\$958M

Total value of exports reported by 592 companies assisted by the EDPNC in some fashion in 2018



EDPNC international trade team office locations



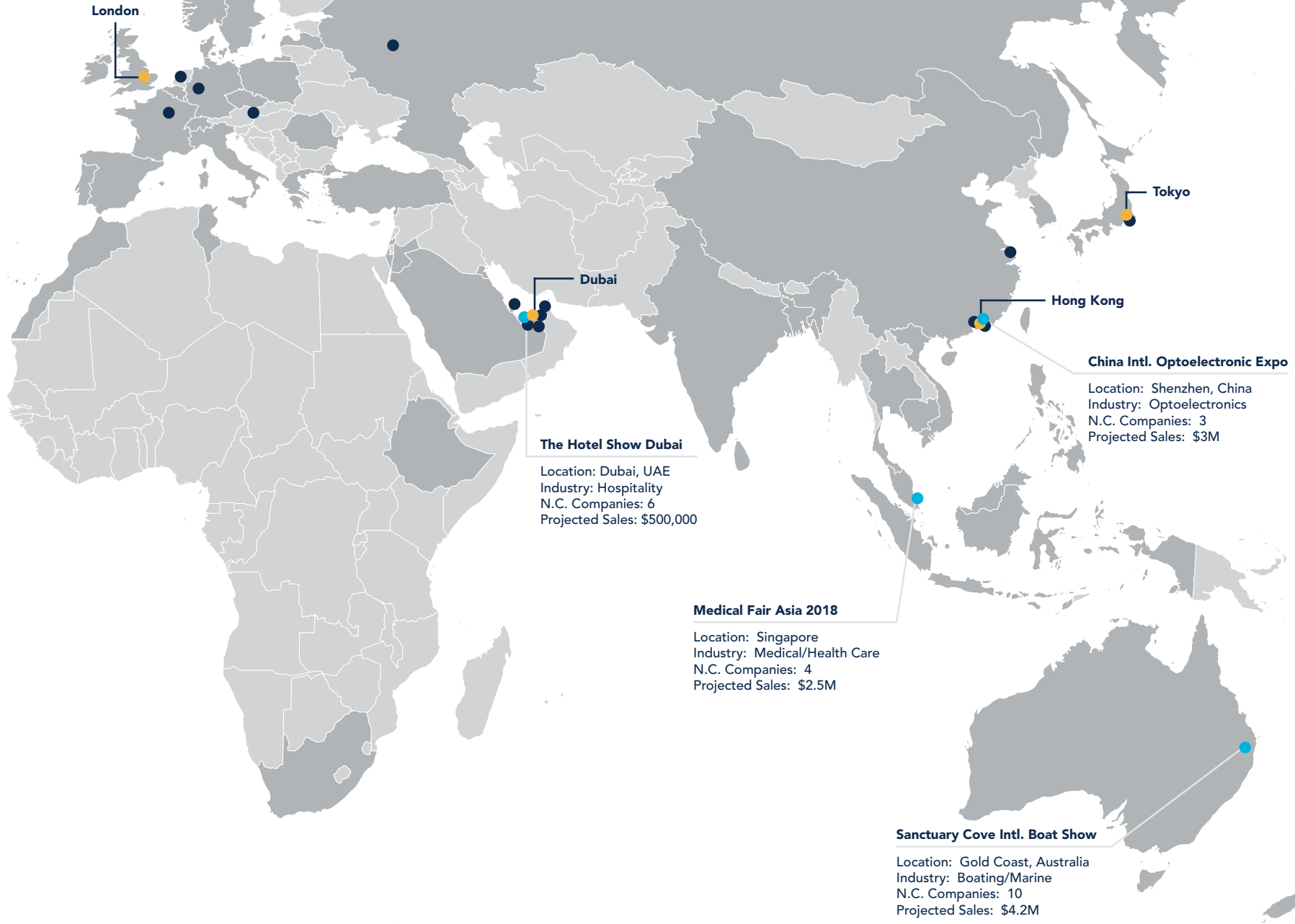
Countries where EDPNC-assisted companies reported export sales



Locations of trade shows attended by EDPNC-led groups of businesses



Highlighted trade shows attended by EDPNC-led groups of North Carolina businesses



EXPANDING OUR REACH

NEW TRADE OFFICE HELPS BUSINESSES INCREASE SALES IN THE MIDDLE EAST

When Saudi Arabia began surpassing other countries among North Carolina's top export markets, it accelerated the EDPNC's interest in opening the state's first overseas office dedicated to helping Tar Heel businesses grow their sales in the Middle East.

Three years later, in September 2018, the EDPNC officially opened its first permanently budgeted Middle East trade office, offering a full suite of support services to North Carolina businesses interested in exporting to Gulf

nations such as the United Arab Emirates (UAE), Saudi Arabia, Bahrain, Kuwait and Oman.

"We made the decision after using a one-year federal grant to test the waters and hire a trade consultant in the Middle East – the company Channels based in Dubai, UAE," said John Loyack, EDPNC's vice president of global business services. "Channels assisted 20 North Carolina companies under the one-year grant."



In September 2018, the EDPNC coordinated and led the participation of six North Carolina businesses in The Hotel Show Dubai, including Glen Raven Inc., Haand, IL Bella Sole, French Heritage, New Growth Designs and Purillum. The businesses' products range from furniture to artificial floral arrangements. The Hotel Show Dubai is the largest hospitality trade event in the Middle East and Africa.

"After the grant ended, we contracted with Channels to serve as our permanent trade office in Dubai, providing more comprehensive services on par with what's offered by our longtime trade offices in China, Europe, Japan, Canada and Mexico," Loyack said. "With this move, we'll be able to double the number of North Carolina companies we help each year with Middle East sales."

The Dubai representation is the state's first new trade office in nearly a decade, Loyack added. "And I would estimate fewer than 10 states have trade offices in the Middle East."

Anne Jafery, who launched Channels in 2007, has worked with multiple companies to help grow their Middle East business.

"One of the biggest and most common problems that companies face in doing business in the Middle East is successfully vetting potential partners and understanding the cultural differences of doing business there as opposed to in the U.S.," Jafery said. "We spend a lot of time doing due diligence

on potential partners and deals, advising on what are standard practices and payment terms, and general market assistance."

During the grant year ending in 2018, Jafery's staff primarily provided EDPNC client companies well-researched lists of potential Gulf distributors and buyers for their product or service, said Mike Hubbard, EDPNC director of international trade. "But grant funds were limited, so the companies generally had to reach out to distributors on that list themselves," he said.

"Now that the consultant arrangement has evolved into a permanent Middle East office, we can do a lot more," Hubbard said. "Our Dubai office will vet the potential distributor or buyer, call them up, make the introduction to the North Carolina company, and accompany our businesses when they meet with a distributor in an overseas location."

In 2018, our Middle East trade office pre-arranged meetings between representatives of Hamlet, N.C.-based

Therafirm and potential distributors at Arab Health Dubai, the largest medical industry exhibition in the Middle East. Therafirm, a division of Knit-Rite and manufacturer of specialized compression hosiery for the medical and sports industries, was among companies exhibiting at the EDPNC's North Carolina booth.

Michelle Byrne, international and special accounts manager for Therafirm, said the EDPNC's Middle East trade representative "was just an amazing resource."

"We met with 14 potential distributors, and the research that they did on those distributors was on point," she said. "They also walked them to our booth, made sure they arrived on time, rescheduled them when necessary."

"Ultimately, we signed on two new distributors – one in the UAE and one in Jordan," Byrne said. "We already had one in Saudi Arabia, so we were able to expand our network."

"WITH THIS MOVE, WE'LL BE ABLE TO DOUBLE THE NUMBER OF NORTH CAROLINA COMPANIES WE HELP EACH YEAR WITH MIDDLE EAST SALES."

John Loyack
Vice President, Global Business Services
 Economic Development Partnership of North Carolina

GOVERNOR'S EXPORT AWARDS

SPREADING THE WORD ABOUT TOP STATE EXPORTERS AND HOW EDPNC HELPS THEM SUCCEED

Each year the EDPNC helps hundreds of North Carolina companies increase their foreign sales, but we want even more businesses to dive into the deep end of international trade with our support.

So in 2018, the EDPNC worked with the Office of the Governor and state Department of Commerce to introduce the first annual Governor's Export Awards. The goal is to increase awareness of the state's exporting success stories and how the EDPNC helps companies establish or grow international markets for their products and services.

In a well-publicized ceremony at the governor's Executive Mansion in January 2018, we recognized five businesses in five different categories for their successful export activity during the prior year.

"These diverse companies all have one thing in common — each has turned to the EDPNC's international trade division for help in achieving their export goals," said John Loyack, EDPNC's vice president for global business services. "And that help comes at no charge, which is particularly important for a small business."

Companies new to exporting and experienced veterans were recognized: Therafirm in Richmond County; Blue Ridge Chair Works in Buncombe County; Frontier Spinning Mills in

Lee County; Tri-Tech Forensics in Brunswick County; and New Growth Designs in Pitt County.

"We've helped them prepare to sell overseas through export-education workshops, market research and market-entry strategies," Loyack said. "We've connected some to federal State Trade Expansion Program (STEP) grants or other funding that covers their travel costs to overseas trade shows or pays for translating their marketing materials. In some cases, we've pre-arranged meetings with potential new distributors at international trade shows."

Success in foreign sales has supported additional hiring at textile manufacturer Therafirm in Hamlet, North Carolina, winner in

the Top Rural Exporter category.

"Working with the Economic Development Partnership of North Carolina has allowed us to visit countries and meet new customers we wouldn't have met otherwise," said Evan McGill, executive vice president of business development at Therafirm, which manufactures specialized compression hosiery for medical, sports and other industries.

"Their global knowledge and support for our company and our brands have allowed us to grow our export sales, hire new employees and increase our capital investment in Richmond County while increasing our reach globally to approximately 50 countries."

**"THE EDPNC PROVIDES VITAL RESOURCES TO SMALL BUSINESSES
LOOKING TO EXPAND INTO INTERNATIONAL MARKETS THAT MIGHT NOT
HAVE THE ABILITY OR KNOW-HOW TO DO SO ON THEIR OWN."**

Rich Cherry
Sales and Logistics Manager
New Growth Designs



Gov. Roy Cooper presents the Top Large Business Exporter award to executives Robin Perkins and John Maness of Frontier Spinning Mills.

HOW THE EDPNC SUPPORTED GOVERNOR'S EXPORT AWARD WINNERS

NEW GROWTH DESIGNS

(Top New Exporter)

New Growth Designs manufactures high-end artificial greenery and flower arrangements sought by well-known designers and featured in luxury stores, museums and hotels. The Greenville-based small business exhibited with the EDPNC at The Hotel Show in Dubai in 2017 and has participated in EDPNC export-compliance seminars. At the Dubai show, the EDPNC assisted New Growth Designs with travel reimbursement and pre-arranged business meetings. "As a result, we are seeing new interest from this region where the demand for 'Made in the USA' goods is strong," said Rich Cherry, sales and logistics manager of New Growth Designs.

BLUE RIDGE CHAIR WORKS

(Top Small Business Exporter)

Asheville-based Blue Ridge Chair Works makes portable outdoor furniture for campers, hotels and other customers, and foreign sales now account for a large share of its business. Federal State Trade Expansion Program (STEP) grant funds administered by the EDPNC helped the company host its own booth at the Outdoor Summer Retailer Market in Salt Lake City in 2017 and Denver in 2018. "It would have taken months of research and emails and expensive travel to accomplish what we did in four days" in Salt Lake City, said company founder Alan Davis. "The STEP program has allowed us to create tremendous momentum in our quest for global domination in furniture for outdoor active living."





TRI-TECH FORENSICS

(Top Global Reach Exporter)

Tri-Tech Forensics in Leland manufactures forensics products for law enforcement. From fingerprinting and evidence-collection systems to personal protection equipment, the company exports to almost 50 countries. "Tri-Tech has joined the EDPNC at numerous international trade shows – including Milipol, a series of homeland security-focused events held around the world," said John Loyack, EDPNC vice president for global business services. In 2018, Tri-Tech participated in the EDPNC booth at the Eurosatory defense and security international exhibition in Paris.

FRONTIER SPINNING MILLS

(Top Large Business Exporter)

Frontier Spinning Mills in Sanford is one of the world's largest producers of spun yarns for the knitting and weaving industries. The veteran exporter and longstanding EDPNC client offers a diverse product line to customers worldwide. "Through the years, company representatives have joined us at domestic and international textile-focused trade shows and have leaned heavily on the EDPNC international offices, particularly in Asia," Loyack said.



THERAFIRM

(Top Rural Exporter)

A division of Knit-Rite Inc., specialized compression-hosiery maker Therafirm has been successful in dozens of foreign markets. The company has participated in EDPNC export-training seminars and has exhibited with the EDPNC at international trade events. In 2017 and 2018, the EDPNC connected Therafirm to federal grant funding that helped support its participation in the Arab Health trade show in Dubai.

A man and a woman are standing in what appears to be a workshop or a small business setting. They are both wearing denim overalls over patterned shirts. The man is on the right, taller, with glasses on his head. The woman is on the left, shorter, with blonde hair. They are both smiling. The background shows shelves with various items, possibly bottles or containers. The entire image is overlaid with a solid blue color.

BUSINESS LINK NORTH CAROLINA

**OUR SMALL-BUSINESS COUNSELING TEAM GUIDES STARTUPS
IN ESTABLISHING A BUSINESS IN NORTH CAROLINA.**

A STARTUP'S FIRST PHONE CALL

BLNC GUIDES ENTREPRENEURS THROUGH SETTING UP SHOP IN NC

23,043

cases handled by BLNC counselors in 2018.

77%

of calls come from startups.

100

North Carolina counties and their entrepreneurs were reached by BLNC services in 2018.

Entrepreneurs calling any one of our small-business counselors most importantly get a free personal guide through the otherwise impersonal process of filing all the legal documents required to open a business in North Carolina.

But our Business Link North Carolina (BLNC) team counselors always ask: Do you need something more?

That's when callers mention they could use help writing up a business plan or figuring out how to market a new enterprise. Or perhaps they are seeking lending options that cater to a startup with little or no revenue history, a sole proprietor located in a rural town or a small business that is minority-, woman-, or veteran-owned. BLNC responds with a curated list of possible options.

Through its toll-free number and email, BLNC's main focus is answering questions about state and federal licensing requirements to legally do business in North Carolina, as well as provide access to forms for business structures, tax ID numbers and more. However, BLNC counselors also share information on local, state and federal agencies and programs that can help new businesses find grants, alternative lending, business mentoring and more.

In 2018, BLNC's team of four counselors

supported 23,043 client cases, a 4.3 percent over the 22,092 cases of 2017.

Karen Zimmerman is just one of BLNC's recent clients, first calling in October 2018 from New Mexico to prepare for moving to North Carolina and opening a fun and fashionable socks, hats and accessories shop here. "Our motto is 'We've got you covered head and toe,' " she said.

Zimmerman had managed a similar store in Santa Fe, but the owner was selling it. It was also an opportunity for her husband to return to North Carolina, where his family lived.

Zimmerman has since moved to Hendersonville, where she has identified a prospective location for her store. She is also working with the SCORE nonprofit organization to write a business plan for her shop, to be called My Favorite Sock Shop. BLNC counselor Holly Yanker referred Zimmerman to SCORE, which provides free services to support prospective small businesses.

"I have a business mentor through SCORE, and Holly also helped me set up my LLC," she said. "Holly really walked me through everything and did a great job in explaining things to me, hooking me up with the right resources."

BUSINESS LINK NC

A LOOK AT TWO OF 23,000 CASES OF SUPPORTING ENTREPRENEURS

When Doug Watson decided he wanted to leave a 20-plus year career as a corporate accountant to open a small shop and tasting room selling fine olive oils, balsamic vinegars, spices and gourmet foods in downtown Marion, he had a few questions.

He wanted to know the licensing requirements for this first-of-its-kind store in Marion, a town of 7,800 people in rural McDowell County. He also needed to know the rules for selling raw milk cheese and for repackaging olive oils and spices for sale.

Watson reached out to Business Link North Carolina, EDPNC's team of small business counselors.

"The raw milk cheese question was a first for me, so I had to do some digging on that one," said Stephanie Arndt, the BLNC counselor who assisted Watson. "I provided Doug some information there, as well as a checklist on the steps needed to register his business in the state, most of which he had already completed."

"BLNC GAVE US A REALLY COMPREHENSIVE LIST OF WHAT WE NEEDED."

Doug Watson

Owner
Flavors on Main

Watson and his wife, Debbie, opened Flavors on Main in April 2018, just two months after first reaching out to BLNC. "On a scale of 1 to 10, I'd give Stephanie a 10," Watson said.

Flavors on Main is one of 23,043 cases supported by BLNC counselors in 2018, and nearly half those cases originated in rural counties. Through email and their toll-free number, BLNC counselors offer free one-on-one consultations in English and Spanish, providing customized license and permit information and access to necessary forms.

In 2018, 77 percent of the cases BLNC supported involved startups such as Flavors on Main.

"BLNC gave us a really

comprehensive list of what we needed to have regarding licensing, but I was most interested in the laws regarding packaging items and what's required on labeling," Watson said. "We buy olive oils in bulk and fill bottles out of that, and we also buy spices in bulk and repackage them."

With the help of the BLNC team, Doug and Debbie Watson's store fulfills a dream for a couple raised in McDowell County but whose careers led them elsewhere for many years.

"Most of my corporate career was in the Charlotte area, at Ingersoll Rand," Watson said. "Debbie went to UNCW, moved to New York City and did off-Broadway theater for

a few years, worked for a small accounting firm in the Connecticut and New York area. She has a marketing and business degree and teaches high school and business classes."

The couple is excited about their 500-square-foot store bringing something distinctively new to downtown Marion. The store includes an olive oil and balsamic vinegar tasting experience and shelves lined with nearly 30 different flavors of oil and balsamic vinegars, 100 different seasonings, 60 different loose-leaf teas, imported Italian pastas, sauces, local honey and more.

"We've done quite well with our little store here in Marion," Watson said. "We've far exceeded our expectations."



Doug and Debbie Watson own Flavors on Main in Marion.

Another startup assisted by BLNC in 2018 is hoping for similar success, but this one in providing parents and preschoolers a special place to play and connect in Asheville.

In 2019, Kelli Conover opened her Preschooler's Playroom inside a 5,000-square-foot space on Charlotte Street. Earlier, Holly Yanker, BLNC team leader, had provided Conover information on topics including registering her business as a limited liability company and understanding state sales and use taxes.

Yanker also referred Conover to the Small Business Center at Asheville-Buncombe Technical

Community College, which has helped the entrepreneur locate a tax adviser and learn how to market her business. "Holly was amazing," Conover said. "She broke down the permitting steps so they weren't overwhelming."

The nature-themed indoor Preschooler's Playground engages children with its climbing structures, a racetrack for tricycles and foot-powered cars, a small rollercoaster, large soft play blocks, two party rooms and more, Conover said.

For parents, who must remain onsite with their children, "I'm offering a place where they can interact with their kids or other parents, or simply watch their children explore and play while they connect to Wi-Fi, or have some downtime and a free cup of coffee."

"SHE BROKE DOWN THE PERMITTING STEPS SO THEY WEREN'T OVERWHELMING."

Kelli Conover
Owner
Preschooler's Playroom

REACHING OUT TO RURAL ENTREPRENEURS

BLNC SPREADS WORD ABOUT ALTERNATIVE TO ONLINE LOANS

The closing of community banks in rural areas across the U.S. has made it more difficult for small-town entrepreneurs to find a local lender willing to take a chance on a very small business.

"If you're a sole entrepreneur, there's likely no George Bailey downtown who knows you well enough to quickly give you a small loan with reasonable terms," said John Loyack, vice president of EDPNC global business services. "So we've seen more small businesses turning to largely unregulated online lenders. Some of them impose aggressive payment terms and interest rates that can send a small business into a debt spiral."

In spring 2018, the EDPNC took notice when the NC Rural Center opened Thread Capital, a nonprofit subsidiary whose standard loan

product offers up to \$50,000 to existing small businesses in North Carolina and up to \$20,000 to startups with less than a year of revenue.

The loan, generally processed within two weeks, provides substantially lower interest rates than many online loans and typically longer repayment terms – up to six years.

"Because of that, the EDPNC's small business counseling team, Business Link North Carolina, decided to reach out to entrepreneurs in a number of rural counties, to let them know about Thread Capital," Loyack said.

"EDPNC stepped up and helped spread the word," said Jonathan Brereton, executive director of Thread Capital. "Their staff took

the time to reach out to more than 1,300 small businesses to inform them about our nonprofit loan products and educate them on our services."

Every year, BLNC looks for opportunities to conduct outreach benefiting small entrepreneurs, especially in rural communities.

"Thread Capital was a natural choice in 2018, because it was launched by the NC Rural Center, a nonprofit that has been dedicated to improving the quality of life in the state's rural areas for more than 30 years," Loyack said.

The NC Rural Center has long provided microlending. But launching Thread Capital, which serves small businesses in all 100 counties of the state, raises both the profile and loan amounts available through the center's various lending products.

BLNC focused its outreach on rural entrepreneurs it had assisted over the past three years – overwhelmingly sole proprietors of very small construction, lawn care, gas station, food truck or restaurant businesses and the like. "They originally turned to BLNC for guidance on the regulatory requirements of starting their business," said Holly Yanker, BLNC team leader. "But our clients also tell us access to capital is one of their major concerns."

"[BLNC] TOOK THE TIME TO REACH OUT TO MORE THAN 1,300 SMALL BUSINESSES."

Jonathan Brereton
Executive Director
Thread Capital



BLNC counselors conducted the outreach via phone and email, focusing initially on Currituck, Dare, Pitt, Craven and Onslow counties. The team's outreach started in earnest in the fall, and targeted Eastern counties not heavily impacted by the September 2018 landfall of Hurricane Florence. Thread Capital's disaster-recovery loan products were already being well-publicized in storm-impacted counties.

One of the business owners BLNC contacted

was Jomi Price, who operates the Ketch 55 Seafood Grill in Avon on Hatteras Island, a seasonal full-service restaurant that employs 10 full-time and 10 part-time staff.

Price ultimately received a Thread Capital loan, which is helping her recover from circumstances in 2016 and 2017 including a slower economy, a four-day evacuation due to Hurricane Matthew and bridge work that severed power to Hatteras Island for 11 days.

Small-business counselor Laurel Rupe assists entrepreneurs calling BLNC's toll-free line.

She is grateful BLNC connected her to Thread Capital. "I think there's a huge need for people to know about it," she said.

While the Thread Capital outreach was new for BLNC in 2018, the team routinely conducts activities throughout the state to educate entrepreneurs about navigating the bureaucracy of starting a business in North Carolina and to spread the word about BLNC services. In 2018, BLNC counselors made such presentations at more than 70 venues.

Some of those events were focused on supporting minority-, women-, and veteran-owned businesses, to better reach those often-underserved populations.

For example, BLNC presented 14 small-business workshops targeting Latino entrepreneurs in 2018, each drawing roughly 30 attendees. BLNC partnered primarily with the Mexican Consulate in Raleigh and the Raleigh-based nonprofit Carolina Small Business Development Fund to offer these workshops entirely in Spanish.

The Latino business workshops, which BLNC and its partners first introduced in 2017, were held in Raleigh, Charlotte, Concord, Winston-Salem, High Point, Wilmington Asheville and Bolivia.

A photograph of a young man and woman smiling and laughing together at a bar. The man is on the left, wearing a denim shirt, and the woman is on the right, also in a denim shirt. They are both looking down at something on the bar counter. The background shows bar equipment like a mixer and a bottle of liquor. The entire image is covered with a semi-transparent blue overlay.

TOURISM

OUR TOURISM MARKETING TEAM'S WORK RANGED FROM LAUNCHING AN AWARD-WINNING TV CAMPAIGN TO MOVING QUICKLY TO REDUCE A HURRICANE'S IMPACT ON THE STATE'S TOURISM INDUSTRY.

MARKETING FOR TOURISM AND MORE

VISIT NC HELPS KEEP THE STATE AMONG THE MOST-VISITED

\$23.9 BILLION

Annual tourism-generated visitor spending in the state.

\$1.9 BILLION

Annual state and local tax receipts from visitor spending.

225,700

North Carolina jobs directly supported by tourism spending.

The EDPNC's Visit North Carolina team executes marketing programs that promote our state as a top destination for domestic and international visitors, as well as a great location for film productions and retirees.

Most of Visit NC's marketing focuses on the state's tourism industry, which supports nearly 226,000 jobs and 45,000 lodging, transportation, food service, attraction and retail businesses in North Carolina.

Visit NC's diverse tourism marketing activities include participating in trade shows and conferences; leading travel-writer tours of the state's attractions; and executing varied print, digital and TV advertising campaigns.

In early 2019, Visit NC brought home the Gold for its 2018 "First That Lasts" tourism advertising campaign. The Gold Adrian Award from the Hospitality Sales & Marketing Association International honors exceptional work in travel advertising.

In addition to such campaigns, Visit NC engages local tourism offices throughout the state in its cooperative marketing program. Our local partners can more affordably highlight their counties' attractions in statewide marketing versus going it alone.

Annual U.S. Travel Association studies of domestic visitors heading to North Carolina

and their spending attest to the success of our tourism marketing efforts. The latest study, released in May 2018, covers visitation during 2017.

North Carolina tourism generated record visitor spending in all 100 counties in 2017, with a total of \$23.9 billion, a 4.2 percent increase over the prior year, the study says. State and local tax receipts from visitor spending rose 4.2 percent, to more than \$1.9 billion.

Visitor expenditures directly supported a record 225,700 jobs in 2017, up 2.7 percent from the prior year, and generated more than \$6 billion in payroll income, up 8.5 percent.

"Growth in visitor spending is great for communities across our entire state," said Wit Tuttell, EDPNC vice president of tourism marketing. "And North Carolina's continued position as the sixth most-visited state reinforces its status as a premier tourism destination."

The latest hotel and motel lodging figures indicate the state will likely post another rise in visitor spending when 2018 tallies are released. North Carolina tourism generated commercial lodging revenue of \$3.87 billion in 2018, a 7 percent increase over the prior year. Demand rose to 36.8 million room nights booked, up 4.5 percent from 2017.

FIRSTS THAT LAST

CAMERA CREWS FOLLOW FIRST-TIME VISITORS TO NC

In 2018, Visit North Carolina launched a unique tourism marketing campaign highlighting people visiting North Carolina for the first time, each to experience something they had never done before.

The campaign includes TV spots filmed by camera crews that followed these visitors as they had authentic North Carolina experiences.

"I'm not aware of any other state whose tourism marketing has presented such a documentary-style campaign," said Wit Tuttell, vice president of tourism overseeing Visit NC, the tourism marketing arm of the EDPNC.

An Ohio mother and her 5-year-old daughter journeyed to the Outer Banks to see the ocean for the first time. A Georgia newlywed couple explored the waterfalls and forests near Brevard, Mills River and Saluda. A New York couple traveled to Chapel Hill, Benson and Saxapahaw for their first taste of moonshine and the lifestyle of local farms.

The campaign launched April 2018 in target markets including Atlanta, Nashville, Washington, D.C., Philadelphia, Orlando and Columbus, Ohio. In addition to 30- and 60-second TV spots, the campaign includes national print, digital display, paid search and social media ads, as well as streaming

video and out-of-home media advertising (movie theaters, billboards and the like). The advertising also refers viewers to VisitNC.com to see two-minute videos on the travelers' experiences in North Carolina.

The campaign is an outgrowth of Visit NC research supporting its decision to start marketing to potential visitors based more on their mindsets rather than traditional demographics.

"Mindset marketing focuses on what people want to feel and experience when they travel," Tuttell said. "In the past, the state emphasized demographics — which meant appealing to women between the ages of 30-54 with a household income of \$100,000 or more, who lived in 10 states in the Eastern U.S. between New York and Florida."

"I think we are ahead of the curve among states in stressing mindset," Tuttell said. "Part of the reason is to broaden our target market, including reaching more millennials."

Visit NC research shows that 85 percent of those who travel to North Carolina will be repeat visitors. The Firsts That Last campaign was designed to appeal to those travelers who have an affinity for North Carolina but have never visited, by showcasing the kinds of memorable firsts to be experienced the Tar Heel State.





MEASURES OF SUCCESS

Visit NC's First That Lasts campaign has been very successful. Consider some results from its first six weeks, when the media exposure was strongest:

85% INCREASE

Overall traffic to VisitNC.com from the six metropolitan target markets increased 85 percent over the same period in 2017.

92% MORE LIKELY TO VISIT

A representative group of 1,000 people exposed to the campaign via digital advertising were 92 percent more likely to visit North Carolina than a comparison group not exposed.

450M IMPRESSIONS

The campaign generated 450 million impressions for Visit NC.

820K MINUTES

Viewers devoted 820,000 minutes to watching the campaign videos on VisitNC.com and, on average, watched 80 percent of their duration. "That's a good result because our video content was long-form, two-minute stories," said Wit Tuttell, EDPNC vice president for tourism.

VISIT NC 2018 HIGHLIGHTS

FROM HURRICANE RELIEF TO SUCCESSFUL MARKETING EVENTS

Creativity is always key to the success of Visit North Carolina's diverse efforts to market the state as a premier destination for visitors, retirees and film productions. In 2018, such ingenuity came in handy as Visit NC worked to minimize the impact of Hurricane Florence on the state's tourism industry. Visit NC also launched the #CAREolinas campaign to rally support for hurricane relief. Read more in the following highlights of the year:

Hurricane Florence recovery support

When Hurricane Florence hit North Carolina in mid-September 2018, Visit NC moved quickly to support travelers and mitigate the storm's effect on the state's tourism industry.

Visit NC worked with the North Carolina Department of Commerce, North Carolina Emergency Management and partners throughout the state to inform visitors of road conditions and available lodging. Every hour we provided available lodging updates to Commerce's state welcome centers and call center, which operated 24/7 during the storm. At the hurricane's peak, the center received more than 12,000 calls an hour.

After the storm, Visit NC generated media coverage publicizing that most tourism destinations remained open for business. We also offered hurricane-affected communities free advertising in Visit NC's cooperative marketing program – to spread the word as impacted towns and cities resumed hosting visitors. And we created the #CAREolinas program, which in its first month generated:

- More than \$136,000 for hurricane relief in North and South Carolina, through the sale of #CAREolinas T-shirts and limited-edition wines from Childress Vineyards in Lexington, N.C.
- High-profile partnerships with the Carolina Panthers, Hendrick Motorsports, Charlotte Motor Speedway, Childress Vineyards and Recover Brands that amplified hurricane-relief messaging.
- More than 30,000 visits to CAREolinas.com, an information hub for hurricane recovery efforts, which generated more than 680 downstream referrals to official North and South Carolina sites accepting relief donations.
- 82.3 million owned social media impressions, nearly 25,000 engagements and more than 4,600 uses of the #CAREolinas hashtag on Instagram and Twitter.



Film spending exceeds \$52 million

In 2018, state-registered film productions spent more than \$52 million in 30-plus North Carolina counties. Those productions created more than 4,100 job opportunities, including 2,000 crew and talent positions. Film productions included pilot episodes of "Reprisal," a possible new series for Hulu from A+E Studios, and "Swamp Thing," a new series from Warner Bros. for the new DC Universe streaming service; continued filming of the home-design TV show "Love It or List It"; and the feature film "Words on Bathroom Walls."

Leveraging an Oscar winner

Visit NC took full advantage of international publicity surrounding "Three Billboards Outside Ebbing, Missouri" following its November 2017 release. As the film racked up critical praise and numerous Oscars, Golden Globe and other awards in 2018, it drew attention to its Western North Carolina filming locations. Visit NC and the state film office developed an online trip planner exploring film locations in Sylva, Dillsboro, Maggie Valley and Black Mountain. National and international media outlets publicized the trip.

Frances McDormand and Peter Dinklage, left, take direction during the filming of "Three Billboards Outside Ebbing, Missouri," whose multiple awards in 2018 shined a spotlight on its North Carolina film locations.



The International Civil Rights Center & Museum, with its focus on the sit-in activities at the F.W. Woolworth lunch counter in Greensboro in 1960, is part of the U.S. Civil Rights Trail.

U.S. Civil Rights Trail

In partnership with Travel South USA, Visit NC joined 13 other Southern states and the District of Columbia in launching the U.S. Civil Rights Trail, highlighting 130 destinations and landmarks that defined the course of the civil rights movement. North Carolina locations include The International Civil Rights Center & Museum and the February One Monument in Greensboro; the Dr. Martin Luther King Jr. Memorial Gardens and Shaw University's Estey Hall in Raleigh; and Hayti Heritage Center in Durham.

World Equestrian Games

The FEI World Equestrian Games brought spectators from across the world to the Tryon International Equestrian Center in Mill Spring in September 2018. Visit NC, along with the North Carolina Department of Commerce's Welcome Centers, Swain County Tourism Development Authority and Currituck County Extension Office, hosted a booth welcoming journalists and visitors to an event that drew about 1,000 members of the media to cover 723 athletes and their horses from 68 countries. NBC Sports aired nearly 65 hours of coverage presented across NBC, NBCSN and Olympic Channel: Home of Team USA.



North American Golf Destination of the Year
Visit NC's work with the International Association of Golf Tour Operators resulted in the state being named 2018's Golf Destination of the Year for North America.

Redesigned VisitNC.com

In spring 2018, Visit NC launched a fully redesigned, mobile-first VisitNC.com to better serve the 65 percent of site visitors who now access the website through mobile devices. The site, which receives 7 million visits annually, is the trusted source on all that makes North Carolina a preferred destination.

'Beauty Here' campaign honored

Visit NC's "Beauty Here" TV campaign, launched in 2016, received a Shining Example Award from the Southeast Tourism Society in 2018. Visit NC won for the best marketing effort for organizations with annual marketing budgets of \$500,000 or more. The campaign emphasized the state's core attributes and uplifting spirit.

Global press coverage

Visit NC hosted visits from nearly 100 travel journalists from around the world and assisted hundreds more on North Carolina travel



stories. Our media outreach sparked hundreds of articles, blog posts and broadcasts on North Carolina's travel experiences, generating more than 500 million digital consumer impressions.

Elizabeth City joins Retire NC

Retire NC, a marketing program of Visit NC, added Elizabeth City to the state's list of Certified Retirement Communities, which offer amenities appealing to retirees. Visit NC helps the 18 certified communities promote their appeal to retirees, including joint participation in trade shows such as the Ideal Living Resort

& Retirement Expo. In 2018, 200 people from other states chose North Carolina as a place to retire after being reached through Retire NC's website and various marketing initiatives. Another 172 interacting with Retire NC chose to remain in the state to retire.

Marketing the state's musical heritage

Visit NC celebrated North Carolina's rich music heritage across the globe. We were a key sponsor of the Cambridge (England) Folk Festival, the International Bluegrass Music Association's annual World of Bluegrass festival in Raleigh, and Oxford

America Magazine's annual music issue. These efforts showcased North Carolina to music enthusiasts, encouraging them to go to VisitNC.com to plan their next getaway. Visit NC chose the Cambridge Folk Festival (pictured above) because it draws a strong demographic for potential North Carolina visitors. In addition, musician Rhiannon Giddens, a North Carolina native, was the guest curator of festival talent. While there, we promoted the state's music heritage and provided a taste of North Carolina barbecue and beer. We also sponsored the children's play area.

A low-angle, upward-looking photograph of several modern skyscrapers. The image is heavily filtered with a solid blue color, giving it a monochromatic appearance. The perspective creates a sense of height and architectural scale, with the buildings converging towards the top of the frame. The sky is visible in the background, also in shades of blue.

INVESTORS & FINANCIALS

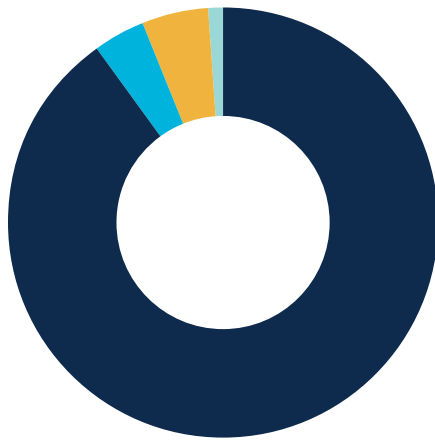
MORE THAN 70 PRIVATE INVESTORS JOINED THE STATE IN SUPPORTING OUR MARKETING OF NORTH CAROLINA FOR BUSINESS RELOCATIONS AND EXPANSIONS, TOURISM, FILM PRODUCTIONS AND RETIREES.

BY THE NUMBERS

OUR REVENUE AND SPENDING IN FISCAL YEAR 2018

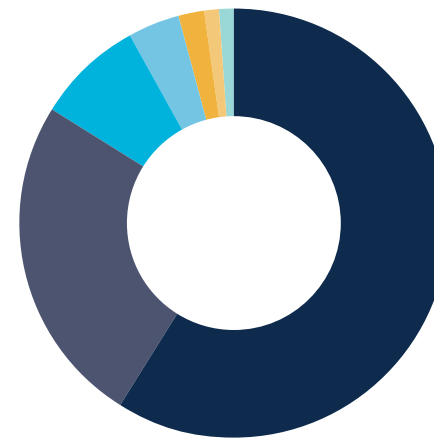
The Economic Development Partnership of North Carolina receives private dollars from investors and state funding through its contract with the North Carolina Department of Commerce. Private investors include dozens of companies, individuals and foundations backing our mission to foster sustainable job creation and capital investment across North Carolina. With their support, we have met or exceeded our fundraising goals in each year of operation.

In fiscal year 2018, running from July 1, 2017, through June 30, 2018, the partnership received \$24,344,433 in total revenue and had expenses totaling \$23,426,832.



FY 2018 Funding Sources

■ State Contract Revenue	\$21,869,329	90%
■ Private Funding	\$1,157,647	5%
■ Federal Grants	\$964,198	4%
■ Other	\$353,259	1%



FY 2018 Expenses

■ Advertising and Promotion	\$13,748,548	59%
■ Personnel	\$5,992,361	25%
■ Professional Fees	\$1,814,488	8%
■ Travel and Prospect Hospitality	\$1,038,394	4%
■ Facilities and Utilities	\$396,436	2%
■ Information Technology	\$247,999	1%
■ General Office Expenses	\$188,606	1%

INVESTORS

A GOAL OF \$1.5M TO HELP MARKET THE STATE FOR BUSINESS AND TOURISM

INTERESTED IN LEARNING MORE ABOUT INVESTING IN THE EDPNC?

Contact Chris Chung at CChung@edpnc.com for more information.

The Economic Development Partnership of North Carolina experienced a strong year in its private fundraising in 2018.

During our 2017-18 campaign ending in October, more than 70 companies, organizations and individuals invested over \$1.23 million in the EDPNC and its marketing of the state as the best choice for business relocations and expansions, tourism, film productions and retirees.

The EDPNC staff and board of directors are grateful for investors' confidence in our work, and we appreciate the chance to continue building strong relationships with our core funding group.

In our 2018-19 fundraising year, we look to capitalize on last year's activities with our investors. For example, investors had the chance to hear directly from Anurag Varma, vice president and head of global government affairs at Infosys, who gave a behind-the-scenes look at why North Carolina won the global technology consultant's 2,000-job innovation hub.

In addition, EDPNC investors joined us on tours of manufacturing plants and innovative enterprises across the state, including the Tryon International Equestrian Center, Wake Forest Institute for Regenerative Medicine and Bridgestone Tire.

Our investors helped the EDPNC host its first-ever "Energizing Rural NC" conference in July in Pinehurst. They provided over \$70,000 in sponsorships, enabling us to present a first-class conference to more than 200 participants, including economic development professionals from 70 counties across the state.

A letter of support from Governor Roy Cooper firmly launched our current fundraising year. Achieving our internal \$1.5 million goal will help us pursue priorities such as increasing investment in proactive business lead-generation resources and spending more on strategic business and tourism marketing and public relations efforts. We also hope to even better support our international network of offices working to attract investment in North Carolina by foreign companies, including our new office in India.

We will work hard to keep earning the confidence of our public and private investors.

The next page lists the companies, organizations and individuals who invested during our 2017-18 fundraising campaign, as well as investors who have helped us launch our current campaign.

Diamond Investors (\$100,000+)

- Duke Energy
- Red Hat

Platinum Investors (\$50,000–\$99,999)

- Bank of America
- ElectriCities of North Carolina
- Martin Marietta
- NC REALTORS®
- North Carolina's Electric Cooperatives
- North Carolina Railroad Company

Gold Investors (\$25,000–\$49,999)

- Atrium Health
- Balfour Beatty Construction
- Biltmore Farms
- First Bank
- Flow Lexus
- Joseph M. Bryan Foundation
- Moore & Van Allen
- Novant Health
- Pinnacle Financial Partners
- PSNC Energy
- Smith Anderson
- Tryon International Equestrian Center

Silver Investors (\$10,000–\$24,999)

- BB&T
- Bell Foundation
- Crescent Communities
- Duke University Health System
- Edifice, Inc.
- First National Bank
- Kane Realty Corporation
- Kilpatrick Townsend & Stockton
- Lincoln Harris
- Lowe's Companies
- Medical Mutual
- Preston Development
- Shelco
- SteelFab
- SunTrust
- Wells Fargo
- Z.V. Pate

Bronze Investors (Under \$10,000)

- Aberdeen & Rockfish Railroad
- Allegacy Federal Credit Union
- Allen Tate Relocation & Corporate Services
- AT&T
- Barnhill Contracting Company
- CaptiveAire
- Clancy & Theys
- Colliers International
- Deloitte
- East Coast Hospitality
- Elliott Davis
- Fidelity Bank
- Grubb Properties
- Hatteras Venture Partners
- Hutton Andrews Kurth
- Jacksonville Onslow Economic Development
- Jeffrey & Linda Turner Charitable Fund
- K&L Gates
- Sheila P. Knight
- Koury Corporation
- Larry McAdams
- McAdams Company
- NAI Beverly-Hanks
- NAI Carolantic Realty
- NAI Piedmont Triad
- NAI Southern Real Estate
- North Carolina Bankers Association
- Pisgah Enterprises
- PNC Bank
- Samet Corporation
- Robert Singer
- Southern Industrial Constructors
- Timmons Group
- Walbridge
- Ward and Smith



Economic Development Partnership of North Carolina

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