LOGI•SYN•ERGY

The fusion of logistics and energy and the anticipated impact of both transportation and energy projects planned for ENC.
NCEast Mission

to drive the region’s current and future economic development through three core strategies:

✓ Creating growth through targeted business attraction, retention and entrepreneurship promotion - branding, marketing, and professional prospect management

✓ Building Capacity by improving labor skills in the region, enhancing education rates, and supporting infrastructure improvements

✓ Advocating for our institutions, infrastructure needs and communities

#LOGISYNERGY
Perceptions ARE changing...

Stories about ENC are becoming more positive:

✓ Business NC Article: "Building a better East"
  o Upcoming infrastructure projects will continue eastern North Carolina’s recent string of economic successes.

✓ Thomson Reuters Article: Improved Labor Force Participation Rate
  o Trends showing labor force participation is improving more people are entering the workforce
DID YOU KNOW??

7 of the top 25 "wealthiest" counties in NC by median family income are in eastern NC?

3 of the 10 worst counties are in the Piedmont?
REGIONAL PERFORMANCE
Population Index

Median Household Income

Per Capita Income

Source: US Census Bureau - American Fact Finder, B19301, ACS 5-Year Estimates

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Poverty Index


#LOGISYNERGY
Travel & Tourism Index

Source: NC Department of Commerce- Tourism, Travel Economic Impact Model (TEIM)
2015 Industrial Announcements
FROM REGIONAL COUNTIES

Advanced Manufacturing
822 jobs
$136M+

Life Science
(Including Healthcare)
142 jobs
$395M+

Logistics
33 jobs
$2.6M+

Motor Vehicle Assembly
& Parts Mfg
0 jobs
$35M

Value-Added Ag
329 jobs
$84M+
2016 Q1 Industrial Announcements
FROM REGIONAL COUNTIES

$195+ Million in investments
Employment by Industry - 3Q 15

Agriculture, Forestry, Fishing, Hunting and Mining: 2.6%
Utilities & Construction: 12.4%
Manufacturing: 4.5%
Wholesale Trade: 15.5%
Retail Trade: 12.0%
Transportation & Warehousing: 14.1%
FIRE: 8.3%
Professional & Technical Services and Management of Companies and Enterprise: 8.5%
Administrative, Waste Services, Information and Other Services, EX.: 4.7%
Educational Services: 3.8%
Health Care and Social Assistance: 3.0%
Arts, Entertainment, Recreation, Accommodation and Food Services: 12.4%
Public Administration: 2.0%
Energy Improvements

“Clean energy investment broke new records in 2015 and is now seeing twice as much global funding as fossil fuels. One reason is that renewable energy is becoming ever cheaper to produce. Recent solar and wind auctions in Mexico and Morocco ended with winning bids from companies that promised to produce electricity at the cheapest rate, from any source, anywhere in the world”

-Michael Liebreich, chairman of the advisory board for Bloomberg New Energy Finance

First Solar now produces solar panels for $.40, undercutting leading Chinese manufacturer in price with new production technology
Energy Improvements

- Proposed Atlantic Coast Pipeline – bringing new gas supply to ENC that will lower prices and increase reliability

- Conversion of Duke power plant (Wayne Co) from coal to natural gas will decrease pollution and solidify regional air quality as attainment

- Sale of NC Electric Municipal Power Agency generation to Duke Energy/Progress – bringing stability and lower power costs

- Solar energy farms spreading across ENC – over 90 solar farms have been installed in eastern NC bring over $1.2 billion of investment into the region

- The Amazon Wind Farm US East, operated by Iberdrola Renewables at Desert Wind, is the first utility-scale wind farm in North Carolina and one of the first in the southeastern US
Solar Farm Installations

$1.2 Billion
INVESTMENTS IN THE REGION

- Distributed vs concentrated
- Investments in rural counties have major impact on tax base

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NCEastAlliance
Atlantic Coast Pipeline

- Less dependent on outside sources for safe, efficient, reliable natural gas.
- $130 million/yr
- Bring much-needed jobs during construction - keep hundreds employed through operation
- Improve chances of recruiting companies that need natural gas for their production processes.
Foreign-Trade Zone #20

Ports of VA expansion of FTZ 20 into Northeastern NC

Companies locating in FTZ 20 can benefit from advanced distribution networks; easy and reliable access to shipping channels, highways, railways, and airways.
Foreign-Trade Zone #214

Foreign-Trade Zone #214 is located in Southeastern North Carolina (SENC) and offers individuals and businesses in 24 North Carolina counties the opportunity to import foreign goods into a duty-free zone. The N.C. Department of Transportation is the Grantee and oversees FTZ #214 SENC.

Current FTZ #214 Magnet sites include:

- N.C. Global TransPark
- N.C. State Port at Morehead City
- N.C. State Port at Wilmington

Magnet sites are essentially the same as the current general-purpose zone sites with a warehouse operator that has already been approved within FTZ #214 SENC. A magnet site can be used by many importers.
Interstate Highway Designations Will Stimulate Growth

I-495 / US 70 / US64
From Raleigh Beltline to Norfolk
• Future interstate would follow the I-495 corridor to I-95 at Rocky Mount, following the US 64 freeway then traveling US 17 - connecting to the cities of Chesapeake & Norfolk, VA in the Hampton Roads region.

US 70 CORRIDOR
Improving access from Triangle to Crystal Coast
• Bypassing Clayton, Goldsboro, Kinston, Havelock, and Beaufort.
• This corridor is heavily used for moving freight, and is just a few miles south of the Global TransPark. Also provides vital connections to two military instillations.
Other Infrastructure Progress

- Mid-Currituck Bridge - $440 Million
- Bonner Bridge - $246 Million
- Connectivity Improvements
  - Goldsboro Bypass - completion June 2016 - $246 Million
  - SW Greenville Bypass – in development - $231.8 Million
  - Havelock Bypass – construction 2018 - $173 Million
  - Maysville Bypass – completion 2018 - $225 Million
- Dredging at Beaufort Inlet - improve Port of Morehead City access
- Gallants Channel Bridge (Beaufort, NC) - open 2018 - $66 Million
- Global TransPark finally a multi-modal facility with construction of rail spur (May 2015) - opening of Goldsboro bypass (June 2016)

#LOGISYNERGY
## Proposed Transportation Projects (STI)

<table>
<thead>
<tr>
<th>County</th>
<th>Mode</th>
<th>Route Name</th>
<th>Cost to NCDOT</th>
<th>Statewide Mobility Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johnston</td>
<td>Rail</td>
<td>CSX A-Line</td>
<td>$100,000,000</td>
<td>91.83</td>
</tr>
<tr>
<td>Craven</td>
<td>Highway</td>
<td>US-70</td>
<td>$32,224,000</td>
<td>88.6</td>
</tr>
<tr>
<td>Mecklenburg</td>
<td>Highway</td>
<td>I-77</td>
<td>$96,620,000</td>
<td>86.26</td>
</tr>
<tr>
<td>Union</td>
<td>Highway</td>
<td>US-74</td>
<td>$2,704,000</td>
<td>84.12</td>
</tr>
<tr>
<td>Cleveland</td>
<td>Highway</td>
<td>US-74</td>
<td>$17,000,000</td>
<td>82.78</td>
</tr>
</tbody>
</table>

The top two rated projects are both in ENC – one in Johnston (CCX) and one in Craven (US70 interchange) for total of $132 million
Significant Developments in the Region

- Re-launch of Rural Jobs Accelerator Grant (RJA) grant transition from NC Rural Center (USEDA & USDA)

- Creation of BioPharma Development & Mfg Center of Excellence by East Carolina Univ. & Pitt CC (2015)

- Launch of new Advanced Mfg Center of Excellence at Wayne Community College (2015)

- Passing the Connect NC Bond (over $200 Million for ENC)
  - $90 Million for ECU - bioengineering building
  - $13 Million for ECSU
  - $92 Million for Community Colleges
  - $7+ Million for ENC state parks
Military Developments in the Region

KC-46A Stationed at Seymour Johnson AFB
Part of the Air Force’s program to modernize the tanker fleet (2019)

Fleet Readiness Center East at Cherry Point
Site for a new $14 million F-35B vertical lift fan repair facility.

US Coast Guard Elizabeth City Acquires Hangars
Support growth of Aviation Logistics Center

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NCEAST ACTIVITY
Marketing by the Numbers

**PROJECT**

- 35 Marketing & Client Trips
- 73 New Projects CY 2015
- 53 Active Projects

**PUBLIC RELATIONS**

- 40 News Releases Issued
- 288 pickups – Sustainability Excellence in Manufacturing (Article)
- 248 pickups – Regional Manufacturers Recognized as Leaders in Sustainability (Press Release)
2015 Projects by Cluster

- 21% Adv Mfg
- 14% Life Science
- 10% VAA (Food & Ag)
- 5% Energy
- 21% Auto
- 5% Logistics/Distribution
- 4% Call Center
- 11% Marine
- 4% IT
- 5% Defense
30% OF NCEAST PROJECTS ARE COMING FROM INTERNATIONAL LOCATIONS
Direct Company Engagement

EVENTS
- Food Automation & Manufacturing
- BIO 2015
- Paris Air Show
- NC Aerospace Suppliers Conference
- Filtration Show
- Process Expo
- California Direct
- United Kingdom Mission
- Nordic Life Science Days

More detail on page 10 in annual report
Engaging Consultants

EVENTS
- IAMC Spring & Fall Conferences
- Site Selector’s Guild
- Area Development Consultant’s Forum
- IAMC Carolinas Chapter Meeting - Boeing
- Alliance engaged in community evaluation session by team of four site selection consultants

Alliance, allies & local EDs recently hosted 5 site location consultants in region to discuss trends, issues, and opportunities

More detail on page 10 in annual report

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EXPORT 101

Event hosted by the NC District Export Council and the US Commercial Service, in partnership with the North Carolina East Alliance.

Export University is a series of courses on exporting designed to help U.S. companies gain skills and innovation in international sales.

Designed for businesses and individuals - both new-to-export as well as seasoned exporters - that would like expert advice and an overview of the export process fundamentals.
WORKFORCE DEVELOPMENT & STEMEAST
Northeastern NC Career Pathways

Northeastern NC Career Pathways is neither a program nor a curriculum. It is a framework for collaboration in developing educational pathways around high demand regional business sectors.

The two goals of NE NC Pathways are to

1) Increase opportunities for adolescents and adults to gain the necessary skills to acquire higher wages.

2) Provide regional business and industry a highly skilled work force.

The primary strategy is to strengthen regional and local partnerships between business and industry, workforce development boards, community colleges/universities, and local school districts through the creation of regional and local career pathways focused on high demand business sectors.

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STEM Schools

55 active STEM Centers

- **ELEMENTARY**
- **MIDDLE**
- **HIGH**
- **EARLY COLLEGE**
$90,000 Reading Scholar Project
- Piloted in Pitt County schools
- Funded by local Pitt trusts grants to STEM East

'Teachers at Work' Program
- New partnership between STEM East & North Carolina Business Committee for Education (NCBCE)

Signed Agreement to transfer hosting of Steve Hill from LCPS to ECU

STEM East was selected to be 1 of 27 STEM Learning Ecosystems across the US by the STEM Funders Network
STEM LEARNING ECOSYSTEM INCLUDES

- STEMEast
- the Burroughs Wellcome Fund
- the North Carolina, Science, Mathematics, & Technology Center
- the North Carolina Center for After School Programs
- Greene County Public schools
Economic Development Trends
ACCORDING TO SITE SELECTION CONSULTANTS

- RE, labor/talent and utilities are THE key factors
- Friendly permitting process
- Clusters are important and subject matter experts need to be on the team
- Data drives decisions: need good commuting data
  - (25/45/55 minute drive time maps)
- Studies show regional EDO’s are the preferred point of initial contact for site location consultants
- Best econ devs are resource brokers not salespeople
Attributes: The education level of the workforce, attainment level and skill levels present in a community.

Talent: Can skills gap be filled and are there resources and tools in the prospect community to fill those gaps?

Pipeline: Can enough pipeline of skilled talent be developed to meet expected turnover and future growth?

Community: Where will a company’s employees live and where will they work? How they will get there? Shopping opportunities, quality schools and availability of executive housing do matter.

http://www.businessclimate.com/5-trends-influencing-site-location

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Site Selection Factors

1. Availability of Skilled Labor
2. Highway Accessibility
3. Quality of Life
4. Occupancy or Construction Costs
5. Available Buildings
6. Labor Costs
7. Corporate Tax Rate
8. Proximity to Major Markets
9. State & Local Incentives
10. Energy Availability & Costs

Area Development Corporate Survey 2015
At one point, the measure of a community’s appeal to young workers was the number of Starbucks located in an area...it is probably safe to say the trend has shifted to the total number of craft brewers/distilleries located in an area.
Western NC has generated a lot of buzz in the craft brewers world but the “Beer Trail” is cutting its way through Eastern NC!
THANKS TO OUR SPONSORS:

ELECTRICITIES
of NORTH CAROLINA, INC.

The energy behind public power

THE PORT OF VIRGINIA

North Carolina Biotechnology Center

North Carolina Ports

The Rural Center

NC SUSTAINABLE ENERGY ASSOCIATION