



2012 - 2013 Annual Report
NORTH CAROLINA'S NORTHEAST COMMISSION

Table of Contents

2012 - 2013 Annual Report


3  Letter from our Leaders

4  Regional Statistics

7  Tourism Statistics

8  Our Location

9  Marketing Summary

10  Activity Timeline

12  Marketing Efforts

14  Initiatives by Industry

16  Active Projects

17  Allies & Partners

18  Our People

a word from our leaders



Roland Vaughan
Chairman

Since its creation in the mid-1990s, North Carolina's Northeast Commission has pursued regional development strategies designed to produce economic opportunities across not just years, but generations. Our view has always been long-term. By concentrating on new infrastructure, workforce innovation and product development, our efforts clear a path for sustainable prosperity in the decades ahead.

In the past year, the Northeast supported capacity-building efforts that will have lasting impact for the region's 16 counties. We made significant progress developing Hyde County's unmanned aerial systems (UAS) test range. That initiative has transformative economic potential – pulling together aviation, agriculture, public safety and more. The Commission was instrumental in energizing plans for an I-44 corridor that will connect North Carolina's Research Triangle with Tidewater Virginia via the Northeast Region. We lent our support to a campaign to implement high-speed rail from Richmond to Norfolk, which will reduce travel time between our region and the major metro areas of Washington, D.C., and beyond.

Human assets are also central to the Northeast's vision for renewed prosperity. The Northeast Regional School of Agriscience and Biotechnology enrolled its founding class of students last year. The unique, multi-county school continues to exceed the region's high expectations. Building on that success, the Commission organized and hosted an initial planning session for an aviation-centered "STEM" (science, technology, engineering and math) high school now envisioned for Elizabeth City. In Currituck County, College of the Albemarle's \$7.1 million Regional Aviation and Technical Training Center opened amid strong demand for its unique curricular and continuing education programs.

These and other important capacity-building initiatives are highlighted in the pages that follow. That important work complements the ongoing business recruitment and tourism development programs that have long been at the core of our mission.

None of these strategies is pursued in isolation. The Commission relies on a vast network of partners and allies from across local, federal and state governments, educational institutions, philanthropic organizations, businesses of all sizes, chambers of commerce, tourism officials and economic development professionals.

We are grateful to all those who share our hopes and dreams for making North Carolina's Northeast all that it can possibly be.

Sincerely,

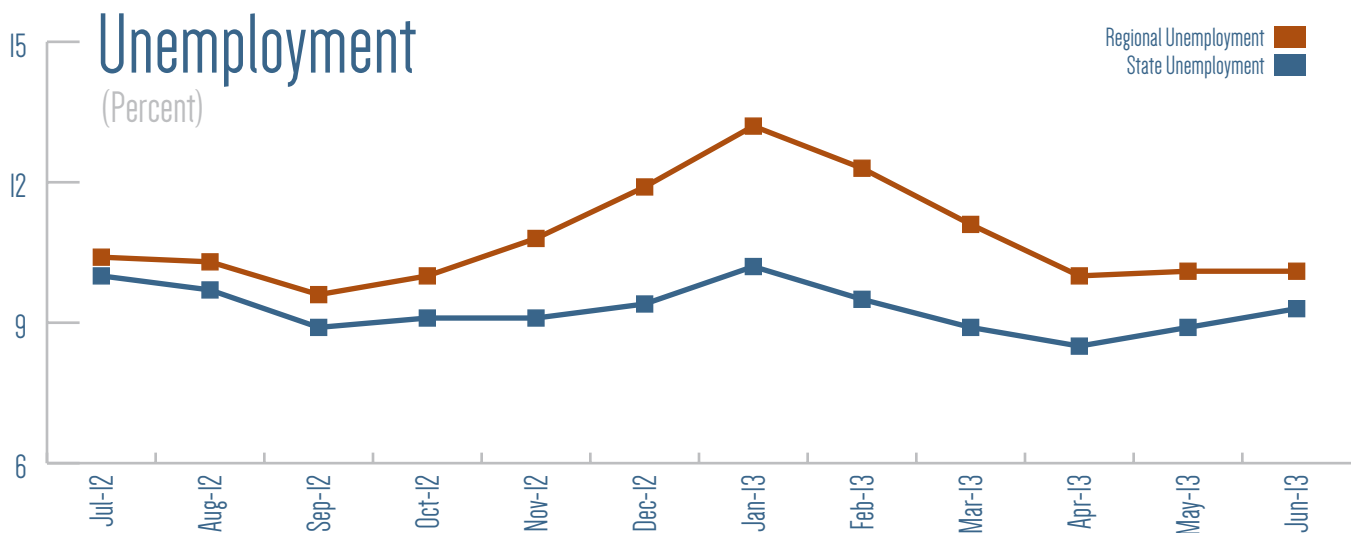
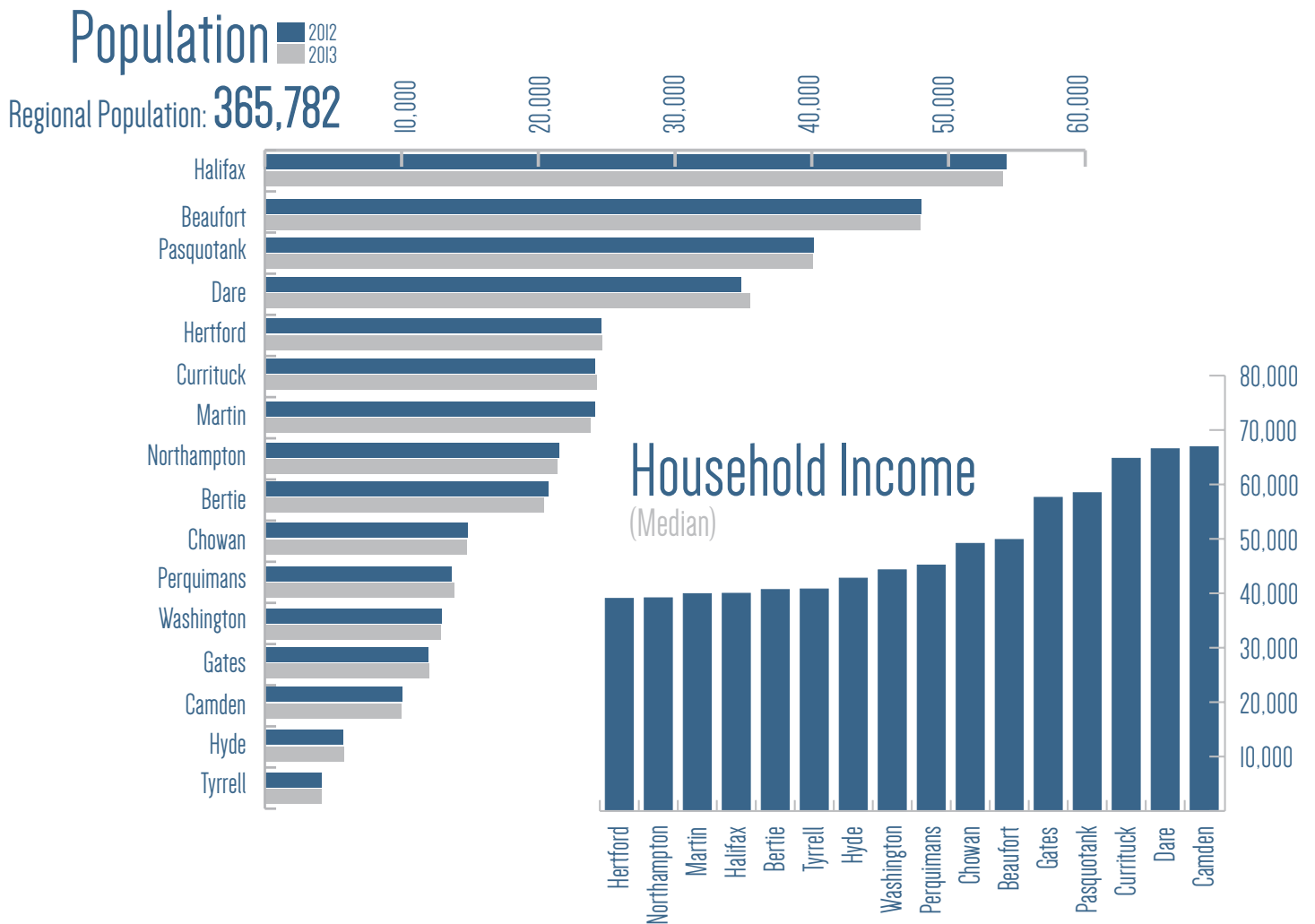
A handwritten signature in black ink, appearing to read "Roland Vaughan".

Roland Vaughan
Chairman

A handwritten signature in black ink, appearing to read "Vann Rogerson".

Vann Rogerson
President & CEO

our region

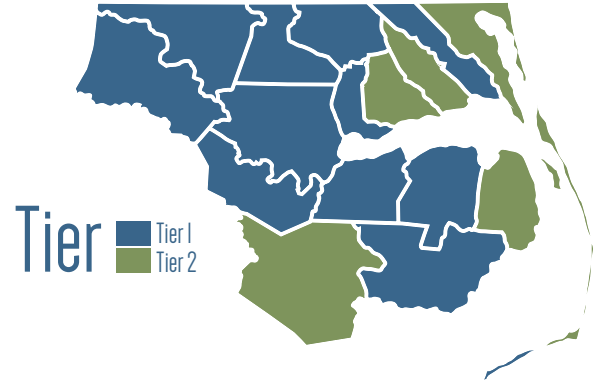


Local Retail Business

Total Retail Sales = \$2,732.1 million
(with food/drink)

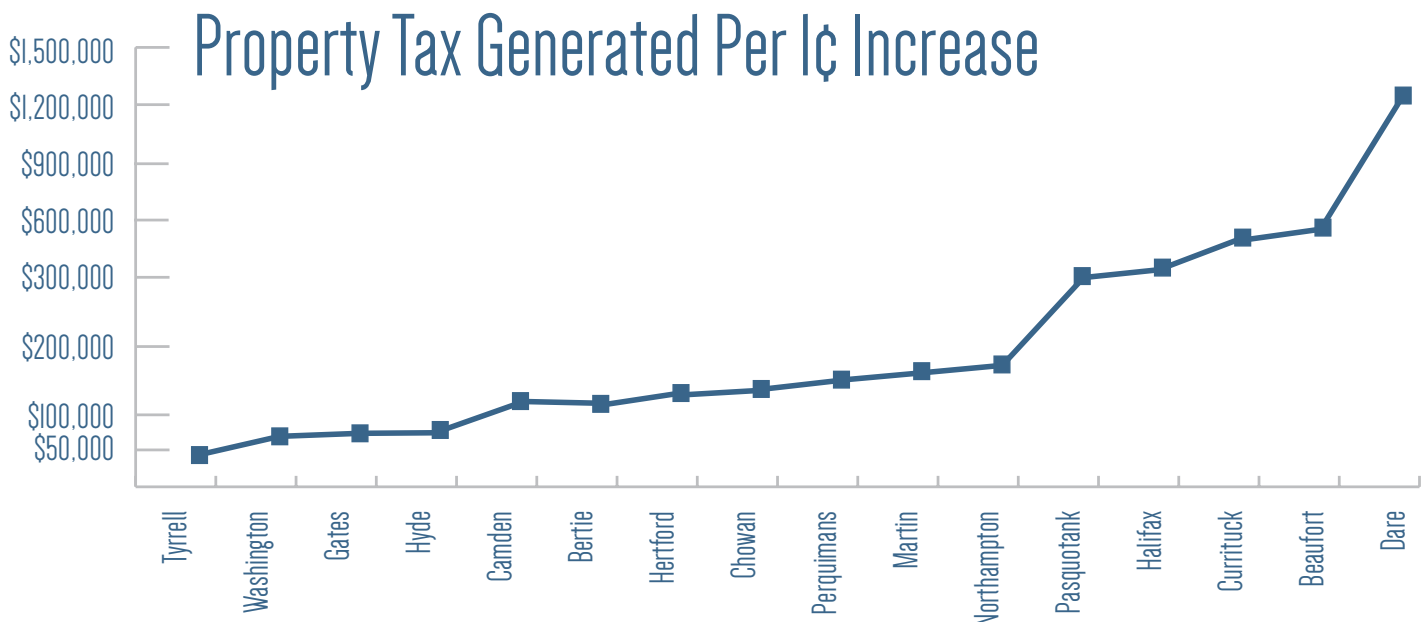
Total Retail Businesses = 2,652
(with food/drink)

Avg. Sales/Business Total = \$1,030,188
(with food/drink)



Regional Employment Data

- 8501 Total Private Industries
Annual Employment 71,472
- 312 Manufacturing
Annual Employment 10,978
- 11,427 Estimated Self Employed
- 17,630 Commuters to Virginia



Economic Climate of our Counties

69%	—	[	is 20% or higher in poverty.
44%	—	[	has a new County Manager: (Less than one year on job.)
50%	—	[	has no full-time Economic Developer: (Part-time or no economic developer.)
69%	—	[	of the region is below \$200,000 per 1¢ property tax increase.
75%	—	[	has a population less than 25,000.
50%	—	[	is in the bottom 26% for Median Household Income in North Carolina.

County Rank

(Out of 100 counties)

Beaufort	58
Bertie	100
Camden	3
Chowan	69
Currituck	5
Dare	8
Gates	28
Halifax	98
Hertford	88
Hyde	74
Martin	78
Northampton	91
Pasquotank	51
Perquimans	42
Tyrrell	95
Washington	83

2012 Tourism Statistics (\$ millions)

	Expenditures	State Tax Receipts	Local Tax Receipts
Beaufort	71.08	3.51	4.08
Bertie	12.68	0.68	0.68
Camden	1.86	0.1	0.15
Chowan	18.13	0.86	1.117
Currituck	131.15	5.5	6.05
Dare	926.32	43.39	41.4
Gates	5.9	0.035	0.21
Halifax	81.89	4.9	1.93
Herford	25.54	1.48	0.62
Hyde	31.99	1.48	1.67
Martin	27.99	1.49	0.67
Northampton	13.21	0.58	1.07
Pasquotank	54.71	2.94	1.19
Perquimans	9.52	0.39	1.05
Tyrrell	3.38	0.15	0.31
Washington	14.11	0.76	0.58

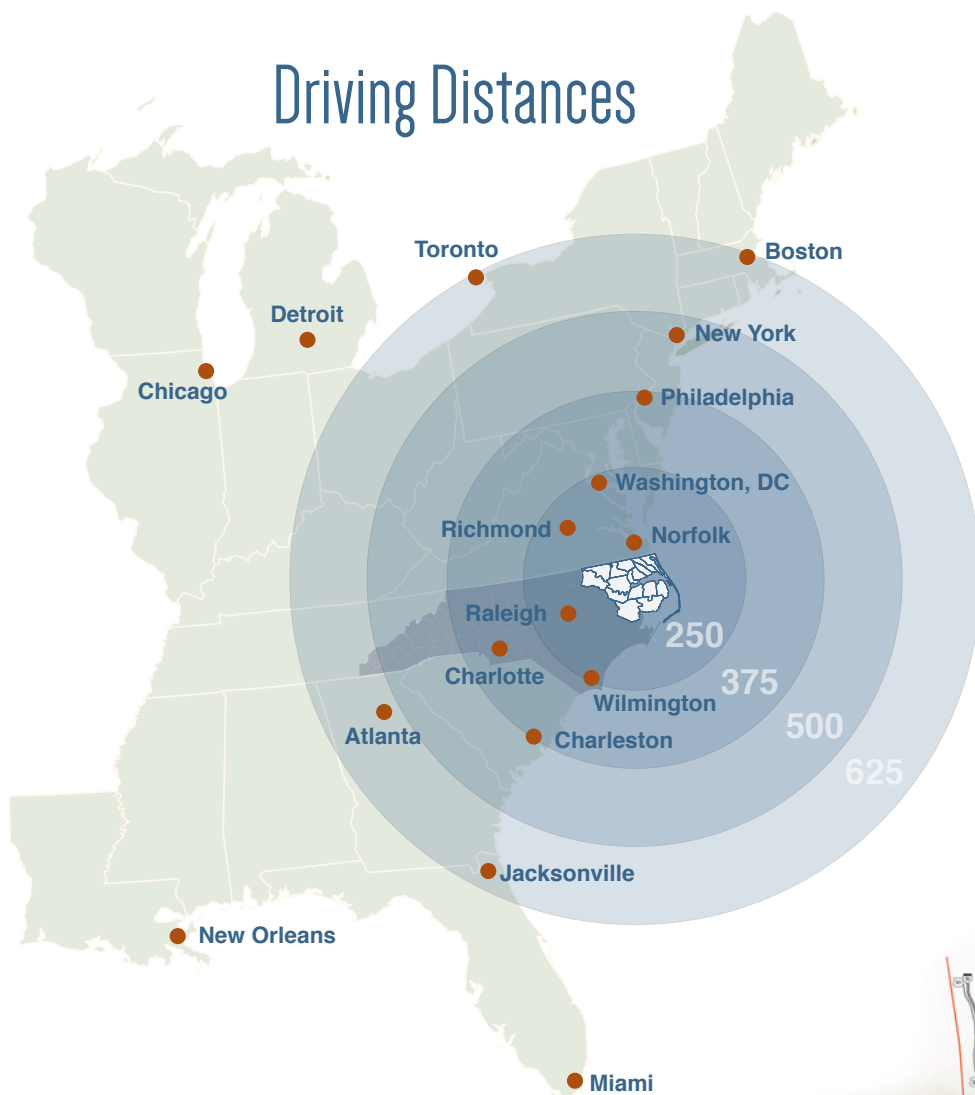
County Occupancy Tax

	Rates	Collections
Beaufort	6%	\$250,930.00
Bertie	N/A	N/A
Camden	6%	\$31,577.00
Chowan	5%	\$124,303.14
Currituck	6%	\$9,991,095.01
Dare	5%	\$15,400,481.77
Gates	N/A	N/A
Halifax	5%	\$644,961.43
Hertford	3%	\$52,936.67
Hyde	3%	\$425,312.17
Martin	6%	\$250,048.00
Northampton	6%	\$49,788.53
Pasquotank	6%	\$570,171.00
Perquimans	6%	\$8,103.00
Tyrrell	6%	\$6,566.19
Washington	6%	\$113,313.67

Tourism Activities

- Continued Hub & Spoke tourism promotion through tradeshow attendance and marketing to group tour companies.
- Supported county festivals and events.
- Hosted TRAC - County professionals from the region met with staff of NC Div. of Tourism and representatives from the state film, marketing, group tour, and main street to assist with their marketing efforts.
- Attended the NC & VA Motorcoach Association Meeting in September 2012. Met with 31 group tour operators from 4 states.
- Held our annual update at the Raleigh Women's Prison presenting tourism updates and thanking them for representing the Northeast when visitors call 1-800-VISITNC.
- Traveled to the American Bus Association Conference and met with 19 group tour operators from 10 states to promote the region for motor coach traffic.
- Sponsored NET members attendance at the NC Governor's Conference on Tourism in Wilmington.
- Updated marketing materials.

Driving Distances



Transportation Points of Interest



Marketing and Operational Summary

Industrial, Commercial & Retail Recruiting

PRIMARY PARTNERS

- **NEED**
(North East Economic Developers)
- **Committee of 1000** (private funds)
- **NC Department of Commerce**
- **NC-NAAB**
(North Carolina's Northeast Alliance for Agricultural Biotechnology)
- **NCCAR** (North Carolina's Center for Automotive Research)

OPERATIONAL EMPHASIS

Automotive

- Conventional automotive proving ground and testing (not NASCAR)
- Autonomous ground systems testing
- NCCAR opened 2010
- Auto and parts manufacturing

Aerospace

- Coast Guard aircraft repair
- Manufacturers, suppliers, and rework
- Unmanned Aircraft Systems
- Light Sport Aircraft

Biotech/Life Sciences

- Regional commercialization partner for new patented biotech plant products
- Specialty crop growing, processing, and packaging

Marine

- Boat building and components
- Manufacturing and distribution
- New marine park - Perquimans

Food

- Food Processing
- Distribution

Alternative Energy

- Wind, Bio-mass, Bio-fuel, and Solar

Defense

- Defense R&D, Testing, Training at NCCAR and Hyde County Unmanned Test Range

Southeast Virginia

- Businesses expanding south
- Port of Virginia partnerships
- Collaborative mid-Atlantic support for projects

Tourism Promotion & Development

PRIMARY PARTNERS

- **NET** (North East Tourism)
- **Committee of 1000** (private funds)
- **NC Department of Commerce**
- **Historic Albemarle Tour** (HAT)
- **Eastern and Southeast Regions**
- **NC Cultural Resources**

OPERATIONAL EMPHASIS

Heritage

- Development and marketing
- Federal Heritage Designation (40 counties east of I-95)

Regional Marketing

- **www.visitncne.com**
- Regional advertising
- County festivals and events
- Group tours from regional hubs into more rural areas for day trips
- Host FAM (Familiarization) Tours for group tour operators to introduce the area
- Tourism & group tour conferences

Existing Business Support

PRIMARY PARTNERS

- **CONE** (Chambers of the North East)
- **Committee of 1000** (private funds)
- **NC Department of Commerce**
- **SBTDC**
- **Universities, Community Colleges**

OPERATIONAL EMPHASIS

- Support regional business issues
- Maintain current employment
- County business association meetings
- Regional legislative agenda
- Annual State of the Region Event
- Support business events
- Small business sustainability
- Actively involved with connecting workforce development efforts to economic development within the region.
- Professional Development

Active Initiatives

- Advocate for critical rural issues with our urban neighbors
- Redesign our website to provide better usage with modern smart phone technologies.
- Continue growing a profitable research, development, and testing niche at NCCAR.
- Plan and develop a new Unmanned Aircraft System (UAS) test range in Hyde County.
- Develop the Interstate 44 corridor (Following the Highways 64 & 17 corridor from Raleigh to Williamston to Norfolk, VA)
- Develop a new heritage tourism marketing corridor for the 40 counties east of I-95. Pursue a Federal Heritage Designation. Partnering with the Eastern & Southeast Regional Partnerships.
- Maximize "last mile" deployment of broadband from the new middle mile backbone.
- Develop key regional agricultural biotech assets:
 - 1) Complete funding for a pilot scale botanical extraction facility
 - 2) Support the regional Agri-Science & Biotechnology High School at Vernon James Center.
- Strengthen partnership and investment opportunities with Hampton Roads and the Port of Virginia.

quarterly activities

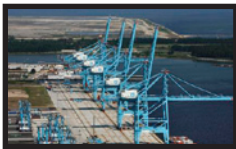
>> 01

1st Quarter Ending September 2012



Hyde County Test Site

- Hyde County Airport Board approved first Unmanned Agricultural Aircraft Flight application.
- Request made to NC DOT to reserve the I-44 designation number.
- Northeast Commission Board supports high speed rail from Richmond to Norfolk.
- Edenton's Regular Marine recovers the Queen "B" lost at sea after 3 years.
- New Agri-Science STEM High School in Roper welcomes students in August.



Port of Virginia



2nd Quarter Ending December 2012

02 <<

- Brought in a commercial / retail site consultant from Atlanta to talk with communities on how to better recruit desired companies.
- Co-Sponsored an Entrepreneurial Summit in Greenville, NC.
- The Unmanned Aerial Test Range was featured on UNC-TV with comments from the Northeast Commission.
- Ken Mann was hired by the Commission to document Gunboat's story of re-shoring jobs back to NC's Northeast.
- Focused our efforts on the aerospace & food clusters. Started planning a marketing mission for late 2013.
- Hosted TRAC (staff of NC Div. of Tourism) in Edenton where county professionals from the region met with the state film, marketing, group tour, & mainstreet representatives to assist with marketing their assets.
- Met with UNC System Administrative Staff on how to better address regional training needs with the universities.



TRAC in Edenton



GUNBOAT's Peter Johnson



3rd Quarter Ending March 2013

03



- NCNE State of the Region was well attended with 320 county, regional, & state leaders on March 1st.
- NCNE led an Emerging Issues breakout session on our growing northeast aviation cluster in February.
- NCNE organized and hosted a planning session for a proposed aviation charter school in Elizabeth City.
- NCNE assisted county professionals with their expenses to attend the NC Governor's Conference on Tourism in Wilmington.
- NC's first agricultural certificate of authorization (COA) to fly unmanned aircraft systems in Hyde County was approved by the FAA.
- NC's first test flight took place on March 21st.



NCNE State of the Region - Williamston



Super Swiper flown in Hyde County



04

4th Quarter Ending June 2013



- NCNE assisted with North Carolina's Unmanned Aerial Test Range application to FAA.
- A joint presentation was made to the New Schools' Board in Raleigh about our proposed Pasquotank Aviation STEM Charter School.
- The Commission Board Meeting was held at NCCAR (automotive testing facility in Northampton County). Met with a client tenant who was looking for investment funds to move from R & D to production.
- NCNE hosted & paid for an aviation consultant to advise our airports on how to better market themselves (3 day visit at 6 airports with 9 developers).
- NCNE held meetings with transportation professionals to continue to plan the development of I-44 from I-40 in Raleigh (via Hwys 64 & 17 through Elizabeth City) to I-64 in Hampton Roads, VA.



Aviation Consultant Visits Currituck County



NCNE Board at NCCAR

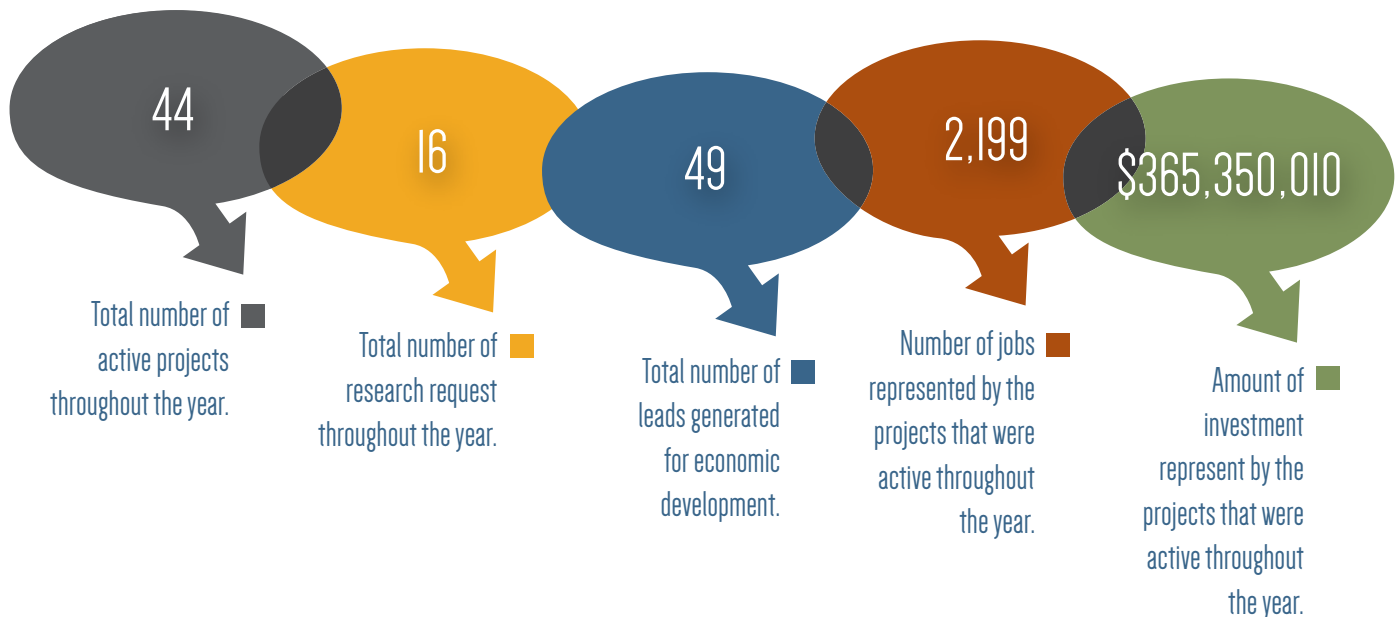
2012-2013 marketing efforts



July	—	[	<ul style="list-style-type: none"> • Chamber's Annual Conference, Pawley's Island, SC
August	—	[	<ul style="list-style-type: none"> • AUVSI (Automated Systems) Tradeshow, Las Vegas, NV• Friends Consultant Event, Chicago, IL
September	—	[	<ul style="list-style-type: none"> • NC & VA Motorcoach Annual Meeting, Winston Salem, NC
October	—	[	<ul style="list-style-type: none"> • Annapolis Boat Show, Annapolis, MD• ICSC (Commercial/Retail) Annual Conference, Atlanta, GA• AWEA Wind Conference, Virginia Beach, VA• Southeast Wind Alliance, Virginia Beach, VA• AUSA Defense Conference, Washington, DC• Site Consultants Event, Bonita Springs, FL• TRAC Opportunity, Edenton, NC
November	—	[	<ul style="list-style-type: none"> • SEMA Automotive Show, Las Vegas, NV
January	—	[	<ul style="list-style-type: none"> • American Bus Assoc. Marketplace, Charlotte, NC
March	—	[	<ul style="list-style-type: none"> • NC Governor's Conference on Tourism, Wilmington, NC
April	—	[	<ul style="list-style-type: none"> • International Biomass Conference, Minneapolis, MN• Sun & Fun Aviation Show, Lakeland, FL• BIO 2013, Chicago, IL• NC Tourism Day at I-95 Welcome Center• Consultants Event, Dallas, TX
June	—	[	<ul style="list-style-type: none"> • Commercial Marine Expo, Hampton, VA• NCEDA (Economic Development) Annual Meeting, Wrightsville, NC

2012-2013 marketing efforts

Marketing Details Breakdown

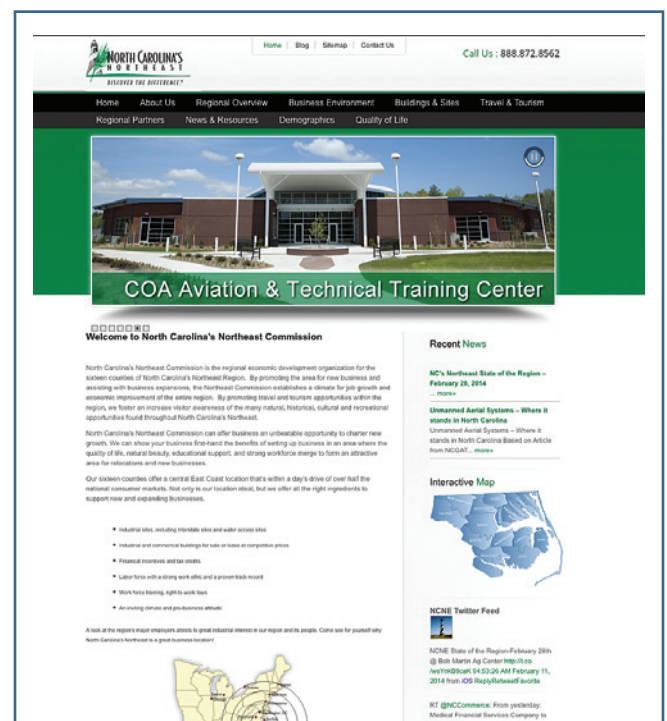


Online Marketing

In May 2013, North Carolina's Northeast unveiled its new website, www.ncnortheast.com with the assistance of Committee of 1000 member, Bull & Company.

The new website was created to be user and reader friendly. The website is also tapping into social media with Twitter feeds directly on the home page as well as Commission staff blogging on current announcements that affect the region.

The northeast region also offers a tourism portal www.visitncne.com in which the individual counties upload their own data.



industry cluster activity



Aerospace

- Aircraft repair, rework, suppliers and industry support. Substantial private work is occurring at the US Coast Guard Base in Elizabeth City.
- Active aerospace projects: 1
- Aircraft manufacturing continues in NC's Northeast — Light Sport Aircraft in Halifax County.
- North Carolina's Unmanned Aerial Test Range is operational at the Hyde County Airport in Engelhard.
- Aerospace training expands with the opening of College of the Albemarle's Aviation Technology Training Center at Currituck County's airport.
- Exceptional Workforce — 20% more skilled aerospace workers reside within 50 miles of Elizabeth City than exists in the general population.



Agricultural Biotechnology

- An industry that builds on existing agricultural and research assets.
- B-Cert training program begins. This unique program educates farmers on how to safely grow high value, specialty bio-crops.
- Seeking final funding with Bertie County to build a Pilot Extraction facility.
- Ag STEM Education - Supported the creation of an agri-science high school at the Vernon James Center in Plymouth. The school opened in August, 2012.
- We have bundled Northeast "commercialization partners" who can assist researchers in quantifying the yield and profit potential of patented plant products grown in our "field factories."



Alternative Energy

- An industry encompassing wind, solar, biomass, biofuels, etc.
- Active alternative energy projects: 7
- Completed a grant from the NC Biofuels Center to quantify the wood assets within the region and to certify three biofuels sites in the Northeast.
- Two large wind farms are on hold, pending tax credit legislation and power purchase agreements. Other wind farm clients continue to pursue new sites opportunities.
- Solar farms are being developed around the region.
- The region remains active in the off-shore wind cluster.



Automotive

- NC Center for Automotive Research (NCCAR), a conventional automotive proving ground for collaborative research and testing.
- Active Automotive Projects: 3
- Continued to work with consultants and county partners to market NCCAR and nearby property to clients for testing and manufacturing.
- Calendar year 2013 was the third year of operation. NCCAR has attracted a wide range of business including chassis tuning, tire testing, and high school electric vehicle challenges. Automotive industry users accounted for 59% of NCCAR's business, 38% were there for training, and 3% did miscellaneous activities.
- NCCAR's extensive "information network" is valuable for vehicle-to-vehicle communication and defense sector product development. The NCCAR site will be an attractive location for future "autonomous systems" ground tests.



Food Industry

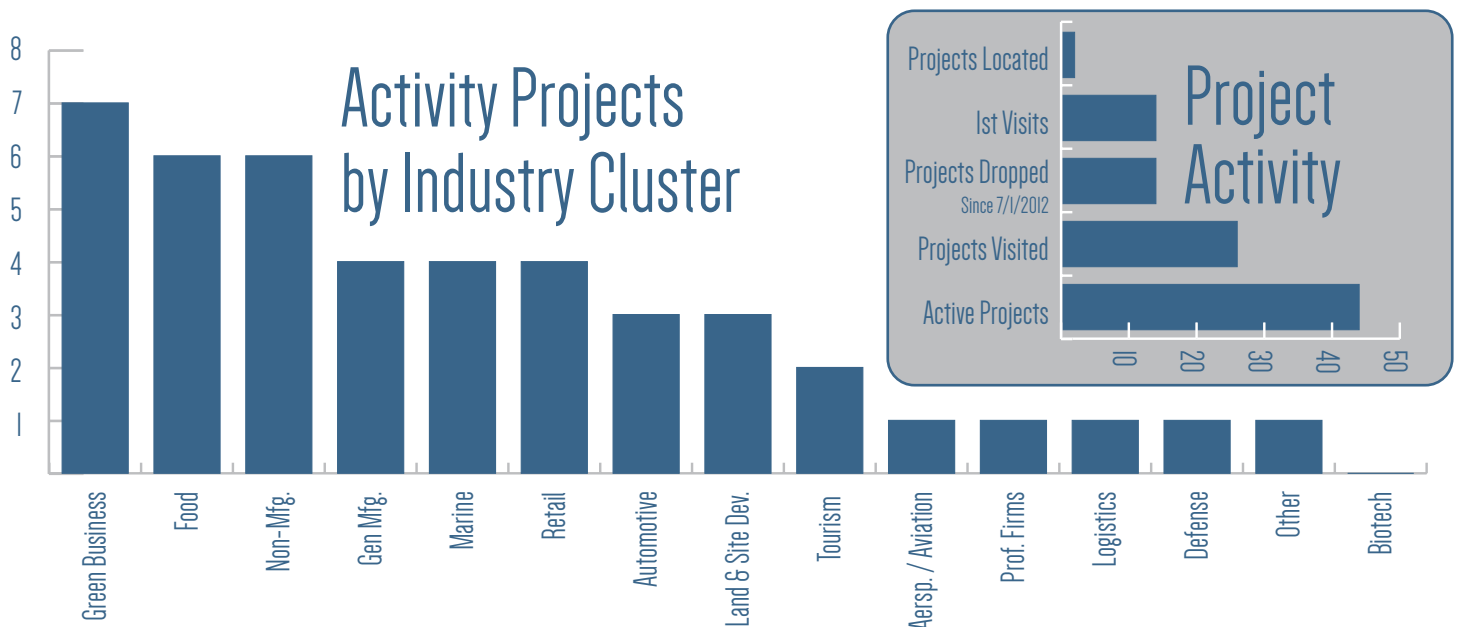
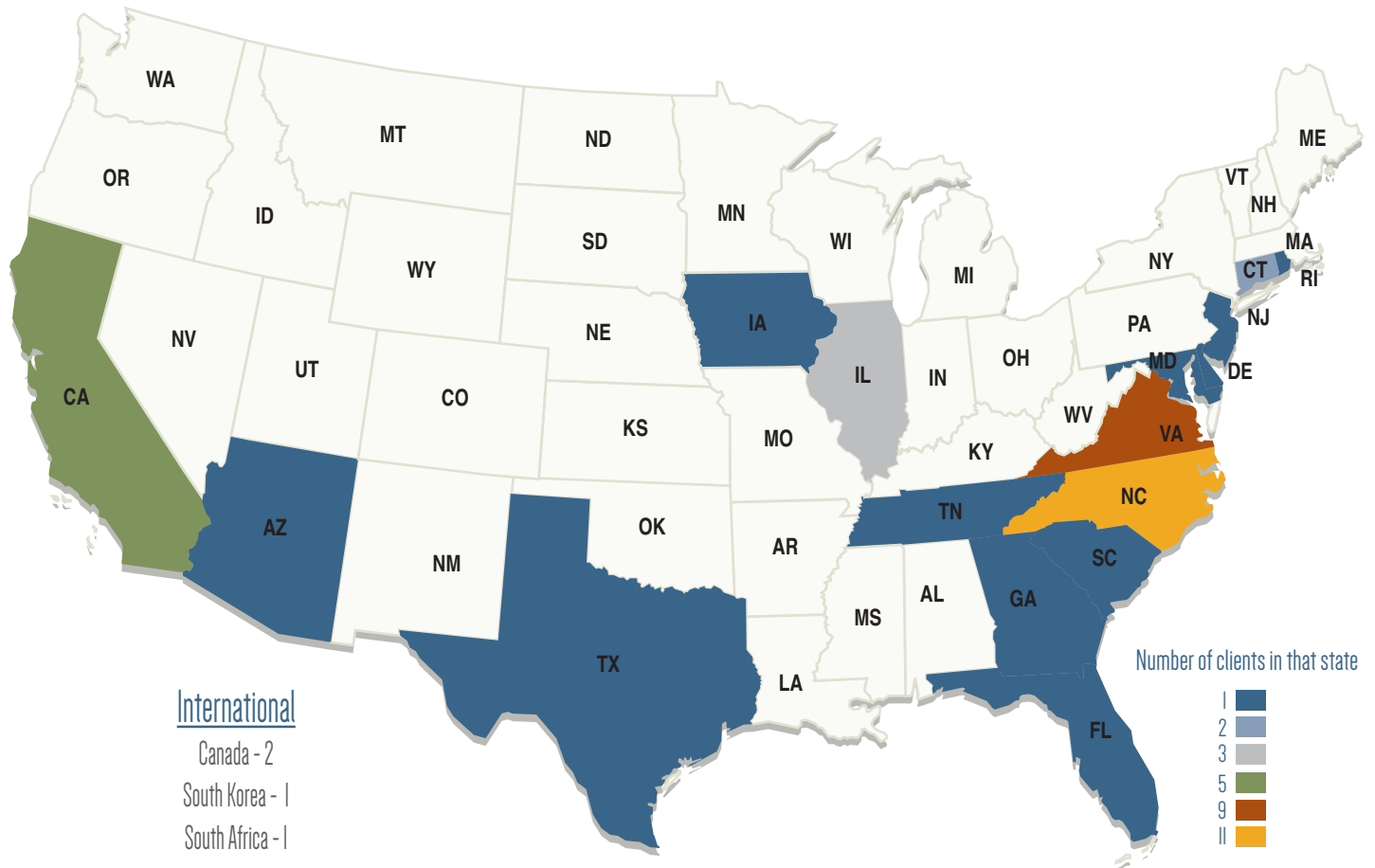
- Our workforce and agricultural base support the food processing and distribution industries.
- Active food projects: 6
- Several of our counties have a strong presence in the food cluster, thus making this an important economic niche in the region.
- NCNE is focused on growing this economic niche in the region.



Marine

- NC's Northeast is known for producing world-renowned boats; our marine parks are poised for growth.
- Active Projects: 4
- Gunboat International brought marine manufacturing jobs back from China and South Africa to Wanchese, NC. Other companies appear to be interested in re-shoring their jobs back to North Carolina as well.
- Englehard Marine Park continues to do well in Hyde County. The Perquimans Marine Park has its permits to dredge the boat basin. Interest is building in these locations.
- Pursuing diversified opportunities for traditional boat builders and manufacturers needing barge / waterfront sites.

Client Locations



our allies & partners

Committee of 1000, Inc.

Membership in the Committee of 1000 provides critical private funding to help the Northeast Commission and our county partners with marketing and client development activities that can bring results above and beyond the limits of our public funding. These private partners serve as a source of information and as a barometer for the economic health of the region.

During the past year the Committee of 1000 has:

- Sponsored the NC's Northeast State of the Region event. The event was attended by regional legislators, statewide leaders, and 300 people interested in economic development within the region.
- Toured member facilities.
- Discussed economic development projects in the making.

NEED (Northeast Economic Developers)

The economic developers from the 16 counties of North Carolina's Northeast Region meet monthly to discuss economic development projects and to plan regional marketing efforts. The group supports each other as they work together to build the regional economy. Bill Early, Hertford County Economic Development Director, serves as Chair of NEED.

NET (Northeast Tourism)

Regional Tourism Directors meet monthly to coordinate regional marketing initiatives for tourism. A special focus for the region is on group tours and heritage tourism. Donna Stewart, Director of the Dismal Swamp Canal Welcome Center, chaired the NET organization this fiscal year.

CONE (Chambers of the Northeast)

The Chamber Directors of the 16 counties in the Northeast Region meet regularly to discuss important small business issues. The group shares their best chamber practices and develops a collective voice for rural businesses. Sid Eley, Director of the Perquimans County Chamber of Commerce, is the chair of CONE.

NCPED (North Carolina Partnership for Economic Development)

The seven regional economic development partnerships and the NC Department of Commerce work together to market North Carolina while allowing the regional partnerships to market the unique assets that exist in each region of the state.

Southeast Virginia

The Commission maintains an active presence in Southeast Virginia. Hampton Roads, with a population of about 1.8 million, is home to the third busiest port on the eastern seaboard, which gives our region access to world markets.

SBTDC

The Small Business Technology Development Center maintains an office within the NC's Northeast Commission building

Historic Albemarle Tour

The Historic Albemarle Tour (HAT) administrative office is located in the NC's Northeast Commission building. HAT is a group of historic sites that work together to market their sites to visitors, educational groups, and group tours.

2012-2013 Board of Commissioners



Roland Vaughan,
Chairman
Mayor of Edenton



Mark Hamblin,
Vice Chairman
Beaufort County United Way



Phil Hux,
Secretary
Hux & Co. Agency



Tracey Johnson,
Treasurer
Beaufort Community College



David King
American Waste Systems



Art Keeney, III
Retired, ECB



O.S. "Buck" Suiter
Retired, RBC Bank



Ernest Burden
Retired, Weyerhaeuser



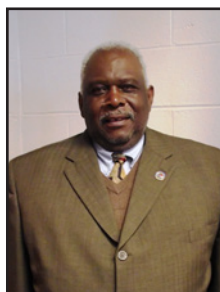
Hood Richardson
Surveyor, Engineer, Geologist



Benjamin Hobbs
Self-Employed, Craftsman



Owen Etheridge
Self-Employed, Agribusiness



Judge J.C. Cole
NC Superior Court



Donny Lassiter
Self-Employed, Agribusiness



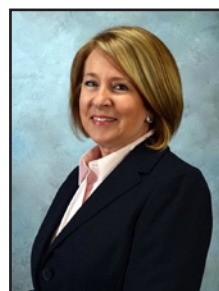
Rich Halbert
Retired, US Dept. of Defense



John Tayloe
Chowan University



William "Bill" Moore
Retired, Educator



Becky Taylor
Ex-Officio, NC State Board
of Education

2012-2013 Members

Our Committee of 1000 members are business and community leaders who contribute funds for improving economic conditions in the region and to help market the Northeast Region as a location for new and expanding business and tourism development

Silver Sponsors

The Electric Cooperatives of Eastern North Carolina

ElectriCities

A.R. Chesson Construction Co., Inc

Avoca, Inc.

Bowman Consultanting

Bull & Company

Centurylink

City Beverage

Dominion NC Power

Domtar

Duke Energy Progress

Edgecombe-Martin EMC

Elizabeth City State University

Halifax EMC

HBA Architecture

Hudson Brothers Construction Company

Lilley International

Martin County Economic Development Commission

North Carolina's Northeast Commission

Nucor Steel — Hertford County

Pepsi Bottling Ventures, LLC

Piedmont Natural Gas

PotashCorp

Resinall Corporation

RSM McGladrey

Smith Moore, LLP

Town of Williamston

Vantage South Corp.

