



## North Carolina Department of Commerce

Pat McCrory, Governor

Sharon Allred Decker, Secretary

A. John Hoomani, General Counsel and Chief of Staff

### MEMORANDUM

**To:** N.C. Office of State Budget and Management  
N.C. General Assembly – Joint Legislative Commission on Governmental Operations  
N.C. General Assembly – Joint Legislative Economic Development and Global Engagement Oversight Committee  
N.C. General Assembly – Fiscal Research Division

**From:** A. John Hoomani, N.C. Department of Commerce

**Date:** December 1, 2014

**Re:** Report on Performance Metrics for Functions Contracted to the Economic Development Partnership of North Carolina, Inc.

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Pursuant to N.C. Session Law 2014-18, s. 1.3(2), attached you will find a report outlining the performance metrics for the departmental functions that were contracted to the Economic Development Partnership of North Carolina, Inc. ("EDPNC"), a North Carolina nonprofit corporation in accordance with N.C. Gen. Stat. § 143B-431A(b).

The contract entered into between the Department and the EDPNC on October 6, 2014, provided that the EDPNC would perform the following scope of services:

The Contractor will operate as the sales and marketing arm of the State, responsible for: business recruitment, existing industry and small business support, import and export assistance, marketing, tourism, film and sports development. All responsibilities for making grants, loans or other discretionary incentives will remain public with the Department of Commerce.

The mission of the Contractor is to guide the State's economic development efforts toward the creation and retention of high-quality jobs through new business attraction, existing business support and the cultivation of the tourism and film industries. It is the goal of the Contractor to be a statewide, collaborative organization that engages the business sector, economic development partners and community representatives at the local and regional levels to foster economic growth across the entire state.

The Contractor will perform the functions that have in the past been performed by the following divisions at the Department: Business and Industry, Marketing, Small Business and Entrepreneurship, International Trade and Investment, and Travel & Tourism (excluding Welcome Center operations, but including Film and Sports Development).

N.C. Session Law 2014-18, s. 1.3(2) provided that the Department shall report on a list of statutorily required performance metrics for the last full year prior to contracting, and the annual average for the five-year period preceding the contract. Below are the required performance metrics.

Please note that the metrics for the business recruitment and business services are based upon a fiscal year basis, whereas the tourism and marketing metrics are based upon a calendar year basis. This is a result of the tourism numbers provided to the Department by the U.S. Travel Association being provided on a calendar year basis.

The U.S. Travel Association utilizes its Travel Economic Impact Model (TEIM) to measure the impact of travel on the U.S. Economy. The TEIM was created to capture the highly complex nature of the U.S. travel industry at the national, regional and local levels and to provide annual estimates of travel expenditures and the effect of these expenditures on employment, payroll and tax revenue in each of the 50 states and the District of Columbia. This data is provided to the Department (and now the EDPNC) on an annual basis between May and August of the following year. Therefore, the data for Calendar Year 2014 will not be available until May 2015, at the earliest.

As a result, the data for business recruitment and business services include the most recent year (Fiscal Year 2013-14), and the five-year average for Fiscal Years 2009-10 through 2013-14. The numbers for tourism and marketing include the most recent year (Calendar Year 2013), and the five-year average for Calendar Years 2009 through 2013.

<b>For business recruitment:</b>	<b>FY 2013-14</b>	<b>5 Year Average</b>
Number of jobs announced by the Department in total.	14,369	16,906
Number of jobs announced resulting from recruitment of new businesses.	5,589	7,348
Number of jobs announced resulting from existing business expansions.	8,780	9,558
Total U.S. dollar amount of investment resulting from new projects.	\$2,794,056,182	\$3,065,850,003
Total U.S. dollar amount of investment resulting from recruitment of new businesses.	\$1,318,206,500	\$1,599,866,958
Total U.S. dollar amount of investment resulting from existing business expansions.	\$1,475,849,682	\$1,465,983,046
Total U.S. dollar amount of foreign direct investment.	\$1,383,621,000	\$833,901,732
<b>For business services:</b>	<b>FY 2013-14</b>	<b>5 Year Average</b>
Number of existing businesses receiving support.	717	1,363
Number of Business Services Team leads that lead to an expansion of existing businesses.	5	4
Number of businesses receiving export assistance.	435	394

Total U.S. dollar amount of exports by assisted companies.	\$888,978,612.00	\$562,004,103
<b>For tourism and marketing:</b>	<b>CY2013</b>	<b>5 Year Average</b>
Number of consumer inquiries about travel to North Carolina.	4,532,007	\$3,925,636*
Total U.S. dollar amount of spending by visitors while in North Carolina.	\$20,218,576,548	\$18,136,258,111
Total U.S. dollar amount of State and local tax revenues resulting from visitors' spending while in North Carolina.	\$1,614,503,922	\$1,505,161,346
Number of business inquiries for business relocation, investment, and expansion.	193,799	\$129,152*

\*At the time of reporting, the numbers for Calendar Year 2009 were not available. As a result, this is a 4-year average (CY 2010 through CY 2013). This report will be updated with the five-year average whenever Calendar Year 2009 numbers are obtained.