



2010 ANNUAL REPORT

(2009-2010 Fiscal Year)

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| Citation of Law or Resolution: | G.S. Chapter 158 |
| Section Number: | Section 158-8.5 |
| Due Date: | February 15, 2011 |
| Submission Date: | February 15, 2011 |

Receiving Entities:
Department of Commerce
Office of State Budget & Management
Joint Legislative Commission on Governmental Operations
Joint Legislative Economic Development Oversight Committee (sent to
Fiscal Research)
Fiscal Research Division of the General Assembly

Submitting Entity:
Piedmont Triad Partnership

Piedmont Triad Partnership
David Powell, President & CEO
416 Gallimore Dairy Road, Suite M
Greensboro, NC 27409
336.668.4556
www.piedmonttriadnc.com

REGIONAL ECONOMIC DEVELOPMENT COMMISSION REPORTS

By February 15 of each fiscal year, the seven regional economic development commissions shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:

(1) The preceding fiscal year's program activities, objectives, and accomplishments.

Marketing to Site Location Consultants, Brokers and Developers

- PTP representatives called on 48 site location consultants and real estate brokers in Northern Virginia/Washington D.C, New York City, Northern New Jersey, Boston, Atlanta, Chicago, Charlotte, Dallas, Toronto, and Greenville/Spartanburg.
- PTP co-sponsored with NCDOC/Friends of North Carolina a site location consultant events in Atlanta, GA and in New York.
- PTP hosted site location consultants at events in Atlanta (Reception), Greensboro (Dinner and Breakfast) and New York City (Dinner).
- Additionally, PTP hosted 4 site location consultants and brokers in the Piedmont Triad region.
- PTP hosted a reception for Triad-based real estate brokers and Piedmont Triad Partnership investors.
- The Partnership and local economic developers in our region hosted an economic update luncheon in Raleigh for Triangle-based real estate brokers and consultants.
- The Partnership and local economic developers in our region hosted an economic update luncheon in Charlotte for Charlotte-based real estate brokers and consultants.
- PTP distributed bi-monthly html newsletter *Pacesetter* to more than 1,000 site location consultants, consuls, international trade representatives, and NC Department of Commerce developers.
- PTP distributed collaterals, through a direct mail process, to site location consultants and real estate brokers and developers approximately every 6-8 weeks.

Marketing and Raising Awareness to North Carolina Department of Commerce

- PTP maintained regular contact with Business and Industry ("B&I") Division professionals to promote the Piedmont Triad Region, and PTP hosted a networking event in Raleigh for B&I developers and Piedmont Triad economic developers.
- PTP hosted NCDOC staff at a luncheon in Raleigh for an economic update on the region.
- PTP mailed marketing collaterals to DOC B&I developers, International Trade Reps, and marketing colleagues to update and educate them about the Piedmont Triad Region.

Other Targeted Industry Calls and Trade Shows

- The Piedmont Triad was represented at the Paris Air Show at le Bourget, France
- PTP attended the American Home Furnishings Manufacturing Global Logistics Conference.
- PTP participated in Canadian Manufacturing Week in Toronto.
- PTP attended the annual meeting of Solar International in Anaheim, California.
- PTP attended the Speed News Corporate and Business Aviation Conference in Phoenix, Arizona.
- PTP representatives participated in the 2009 Business Facilities Live Xchange event in Huntington Beach, CA to make direct calls on companies.
- PTP representatives, together with local economic developers, attended the Supply Chain and Logistics meeting in Dallas, TX.
- PTP attended the Speed News Industry Suppliers Conference in Los Angeles, CA.
- PTP representatives, together with local economic developers, attended Biotechnology Industry Organization (BIO) 2010 Annual International Convention in cooperation with the North Carolina Department of Commerce (NCDOC) as a bronze sponsor. PTP representatives met with several life science companies that had an interest in the Piedmont Triad Region. The show was in Chicago.
- PTP participated in the North Carolina Biotechnology Conference in Raleigh.
- PTP was a sponsor of the Translational Regenerative Medicine Conference in Winston-Salem, NC.
- PTP attended the NC Aerospace Forum in New Bern, NC.
- PTP attended the 7x24 datacenter exchange conference in Florida.

International Marketing

- PTP attended 2009 SEUS Canada as part of the NC Delegation led by Secretary Keith Crisco.
- PTP, in conjunction with the NC DOC Canadian Office, exhibited at the Canadian Manufacturing Week, making calls on companies in the Toronto region.
- PTP was part of the NC delegation to 2010 SEUS Canada in Biloxi, MS.

Foreign Trade Zone

- As licensee of Foreign Trade Zone 230, PTP applied for two minor boundary modifications to the General Purpose Zone, which were approved for new distribution centers in Thomasville and Winston-Salem, assisted with the activation of one new and one relocated manufacturing site in Greensboro, and began discussions with a new company pursuing manufacturing authority in Randolph County.

Promotional Literature

- PTP published a new Aviation and Aerospace Brochure
- PTP published its first general brochure in Chinese for marketing in that growing economy

- PTP published “Growth Industries” highlighting the clusters of innovation that the partnership is pursuing
- PTP placed display ads in several targeting industry publications for Life Sciences, Aviation.
- PTP executed a new direct mail plan to targeted industry clusters, site selection consultants, developers, brokers, and the North Carolina Department of Commerce, including semi-monthly distribution to targets.

Public and Media Relations

- PTP placed articles about Piedmont Triad Region in following domestic and international publications:

DC Velocity

Appellation America

Site Selection Magazine

Advance for Medical Laboratory Professionals

Black Enterprise

Industrial Engineer

Atlanta Journal-Constitution

Inbound logistics

Pharmaceutical Manufacturing

Airport Daily

Airport

Transport Topics

Nanotechnology Now (column by Dixon Johnston, QuarTek Corp.)

Photonics.com/Photonics Spectra,

BioCentury Publications

Avionics/Aviation Today

Nanotech Now

Foreign Direct Investment

Aviation International News

- PTP hosted reporters and editors of *Aviation Week*; *Site Selection Magazine*; *Foreign Direct Investment*; *Aviation International News*; *Speed News*; *Avionics Today* for an in-depth tour of the Aviation assets and competencies of our region. .

Client Activity

- As a result of the Piedmont Triad Partnership’s marketing efforts, more than 1,400 new leads were identified for the 12-county Piedmont Triad region, resulting in more than 110 project related inquiries, 29 qualified prospects that considered the Piedmont Triad for an economic development project.

- There were more than 29 regional client visits to the Piedmont Triad region, with 6 of those being for PTP clients, during the 2009-2010 fiscal year.
- PTP made direct calls on 53 additional companies who have expressed interest in expanding in the area.

2) The preceding fiscal year's itemized expenditures and fund sources.

Piedmont Triad Partnership

July 1, 2009 - June 30, 2010

Revenues:

| | |
|-----------------------------------|-------------------------|
| State Funding | \$625,361 |
| Private Sector Funding | 1,611,050 |
| Funding by Counties | 145,954 |
| Funding by Municipalities | 107,023 |
| In-Kind Revenues | - |
| Foreign Trade Zone Income | 51,719 |
| Interest Income | 12,737 |
| Other Income | 25,006 |
| Gain (Loss) on Disposal of Assets | (2,066) |
| NC Biotechnology Center Grant | 22,627 |
| Wired Grant Income | 5,122,183 |
| Total Revenues | <u>7,721,594</u> |

Expenditures--State Funding, Counties & Municipalities:

Personnel **788,368**

Direct Economic Development Expenditures:

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|----------------------------------|---------|
| Targeted Marketing - Clients | 106,677 |
| Targeted Marketing - Consultants | 51,455 |
| Media Advertising | 40,872 |

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|---------------------------|----------------|
| Collaterals | 44,344 |
| Website | 36,000 |
| External Public Relations | 45,032 |
| International | 23,507 |
| Research | 3,615 |
| sub-total | 351,502 |

Administrative Expenses

| | |
|-------------------------------------|----------------|
| Training, Conferences & Memberships | 15,384 |
| Local Travel | 607 |
| Rent Expense | 55,211 |
| Utilities/Maintenance/Janitorial | 258 |
| Professional Contract Services | 10,102 |
| Insurance | 3,009 |
| Bank Charges | 150 |
| Telephone & Fax | 10,086 |
| Internet Access | 486 |
| Copier | 3,944 |
| Technology Supplies/Support | 27,795 |
| Postage/Meter/Delivery Expense | 2,644 |
| Office Supplies | 8,333 |
| Subscriptions | 564 |
| Stationery/Printing Expenses | 544 |
| sub-total | 139,117 |

Total Expenditures--State, Counties & Municipalities **1,278,987**

Expenditures--Wired Grant:

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|--|-----------|
| Project Governance & Administration | 561,854 |
| Leadership, Communications & Regional Integrations | 1,021,305 |
| Economic Growth & Competitiveness | 544,669 |
| Education & Workforce Investment | 3,654,716 |

Total Expenditures--Wired Grant **5,782,544**

Expenditures--Private Sector:

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|-----------|---------------|
| Personnel | 53,329 |
|-----------|---------------|

Direct Economic Development Expenditures:

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|----------------------------------|----------------|
| Targeted Marketing - Clients | 74,871 |
| Targeted Marketing - Consultants | 2,504 |
| External Public Relations | 2,923 |
| International | 104 |
| Research | 23,805 |
| Regional Programming | 5,500 |
| Statewide Programming | 19,296 |
| Ally Development | 9,436 |
| Regional Initiatives | 1,673 |
| Internal Public Relations | 32,563 |
| Investor Relations | 4,672 |
| Film Industry Projects | 10,000 |
| Local ED Grants | 15,876 |
| sub-total | 203,223 |

Administrative Expenses

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|-------------------------------------|---------------|
| Training, Conferences & Memberships | 1,738 |
| Meeting/Speakers/Hospitality | 2,291 |
| Rent Expense--Other Organizations | 42,654 |
| Benevolent Fund | 162 |
| Capital Expenditures | 4,058 |
| sub-total | 50,903 |

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| Total Expenditures--Private Sector | 307,455 |
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| Expenditures--Regional Strategic Vision Plan | 8,770 |
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| Expenditures--NC Biotechnology Center Grant | 21,665 |
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| Expenditures--Foreign Trade Zone | 4,703 |
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|---------------------------|-------------------------|
| Total Expenditures | <u>7,404,124</u> |
| Net Income | 317,470 |
| Reconciliation to Audit: | |
| Depreciation | (21,311) |
| Capital Expenditures | 4,061 |
| Income per Audit | <u>\$300,220</u> |

(3) Demonstration of how the commission's regional economic development and marketing strategy aligns with the State's overall economic development and marketing strategies.

The Piedmont Triad Partnership recognizes both the need for and the benefits and advantages of the strategic alignment between the Piedmont Triad Partnership's marketing and economic development strategies and that of the North Carolina Department of Commerce. We work continuously to partner with the NC Department of Commerce and the other six regional partnerships to maximize efficiencies and to leverage a greater return on investment of marketing resources.

This goal is also addressed through the programs and activities of the North Carolina Partnership for Economic Development (NCPED). NCPED is a nonprofit 501(c)(3) corporation consisting of the seven regional economic development partnerships. Operationally, NCPED functions as an information-sharing and best practices clearinghouse for economic development professionals and private-sector volunteers throughout the state, and NCPED representatives regularly meet with N.C. Department of Commerce staff to align both strategies and tactics.

NCPED's guiding principle is "statewide consistency; regional flexibility," an approach that permits each region to market and promote its own local and unique business assets and advantages, but also ensures that North Carolina's powerful, consistent, and compelling economic development message is communicated and reinforced throughout the United States and around the world. While the primary and legislatively-mandated function and responsibility of each regional partnership is to develop and execute a regional marketing plan and program of work that fits that particular region's needs, when it comes to marketing the State of North Carolina itself, the seven regions without hesitation look to and depend upon NCDOC for leadership and direction, and the regions support NCDOC by partnering in numerous domestic and international activities and events.

Some examples of this interaction and interdependence are:

- Regional partnership presidents meet monthly to align goal objectives and leverage resources across the state.
- NCPED members meet regularly with NCDOC representatives
- Regional partnership Chairs meet quarterly with NCDOC Secretary and senior DOC staff
- The seven regions have developed five-year regional strategic vision plans, and the NCDOC is in the process of synthesizing those vision plans to assist in developing a statewide plan that leverages the recommendations of the regions
- The seven regions work closely with NCDOC on economic development prospects, including,
 - economic development marketing and recruitment,
 - marketing planning and target industry activities
- Research and communication staffs meet frequently; the EDIS and new site and building data base projects are on-going examples of collaboration and cooperation

- The North Carolina Marketing Council, consisting of marketing representatives from NCDOC and the seven regions, meets periodically to review programming and strategies and to look for opportunities for collaboration and leverage
- A marketing matrix ("The Matrix") was created based upon marketing plans for all seven regions and NCDOC to combine plans and program resources

The Piedmont Triad Partnership prioritizes participating in marketing events and programs with the NC Department of Commerce. In 2009/2010 these collaborations included:

- SEUS meetings in Canada and Mississippi
- Consultant events in Chicago and Atlanta
- BIO 2010 Tradeshow in Chicago
- Seminar and industry calls in Toronto with support from the NC DOC Canadian Office
- Friends of NC Consultant event in Charlotte

(4) To the extent they are involved in promotion activities such as trade shows, visits to prospects and consultants, advertising and media placement, the commissions shall demonstrate how they have generated qualified leads.

| PTP Sources of Leads 2009-2010 | |
|---------------------------------------|--------------|
| Tradeshows | 1334 |
| Industry Call Trips | 42 |
| Lead Generation Research | 70 |
| TOTAL | 1,446 |

(5) Demonstration of efforts to obtain funds from local, private, and federal sources.

The Piedmont Triad Partnership has solicited funds from local government and private sources since the organization's inception in 1991. We have a voluntary target of \$.10 per capita from each of the twelve counties in our region, funded by the respective county boards of commissioners. In addition, we currently have 15 municipal investors, and we have asked for all Piedmont Triad municipalities to support the PTP in their budgets. We also received approximately \$600,000 annually from more than 100 private sector investors. In 2006 the Piedmont Triad successfully competed for a U.S. Department of Labor Workforce Innovation in Regional Economic Development (WIRED) grant. The grant provided almost \$15 million dollars over a four-year period to the Piedmont Triad region to establish the Piedmont Triad as a national demonstration project for a regional economic development and workforce development delivery system. The local government and private sector investments traditionally represent approximately 50% of our non-federal revenues. In 2009 and 2010, the PTP engaged in a fundraising campaign in the private sector which raised an additional \$7,000,000 in pledges over the next five years.