

# **Regional Economic Development Commissions/Partnerships**

## **ORGANIZATION OVERVIEW AND IMPACT**

### **1. MISSION & PROGRAMS**

North Carolina's seven regional economic development commissions and partnerships (hereinafter "Regional Partnerships") deliver a diverse array of strategic and tactical services designed to advance the state's economy in both the near- and long-term. These services are organized and executed at the regional level via fleet, flexible public-private partnerships that build from a foundation of General Assembly support to harness other governmental, corporate and philanthropic resources, both directly and in-kind. The seven Partnerships act as economic leverage points for North Carolina, working with communities to set and accomplish economic development goals aligned with challenges and opportunities, assets and aspirations unique to their economic region. Through collaborative relationships with partners and allies, Regional Partnerships pursue a menu of programs that includes global marketing, corporate recruitment, entrepreneurial development, workforce readiness, tourism and film promotion, infrastructure and product development, and strategic planning.

### **2. CUSTOMER/ TARGET POPULATION**

North Carolina's Regional Partnerships serve the state's counties and communities. Through their unique regional structure and public-private organization, the Partnerships extend high-quality economic development solutions into the state's most remote counties, making them a visible part of a dynamic regional brand that can be competitive in today's global economy.

### **3. ORGANIZATION INCEPTION**

The Regional Partnerships evolved through a combination of grass-roots action by regional business leaders and legislation by the N.C. General Assembly. The Charlotte Regional Partnership (CRP), the Piedmont Triad Partnership (PTP) and Research Triangle Regional Partnership (RTRP) emerged in the late 1980s and early 1990s as private organizations serving metropolitan areas. These Partnerships operate as 501-c-3 organizations.

In 1993, as a key part of the establishment of the North Carolina Global TransPark, state legislators created the Global TransPark Development Zone across 13 self-selected counties in eastern North Carolina. Legislation established the Global TransPark Development Commission (known now as North Carolina's Eastern Region). Uniquely, the Eastern Region operates as a Municipal Corporation. Also in 1993, legislators created regional economic development commissions in the Southeast, Northeast and West, which do business as North Carolina's Southeast, North Carolina's Northeast Commission and Advantage West Economic Development Group, respectively. The four commissions maintain private non-profit organizations to facilitate private and philanthropic fundraising. Along with the 1993 enabling legislation for the regional commission, the General Assembly acted to partner with the existing urban regional programs – CRP, PTP and RTRP – to expand their regional footprints to include surrounding rural counties.

Each Regional Partnership is governed by its own board of directors. In the case of the four state-created commissions, the Governor, Speaker of the House and Senate President *Pro Tem* make appointments to these boards (the Lt. Governor also does so in the West and Southeast). All seven Partnerships have regional advisory panels drawn from the ranks of the local economic development agencies and offices. Known by various names (“Technical Advisory Group,” etc.), these panels meet monthly or bi-monthly to examine regional challenges and opportunities, set priorities and monitor Partnership performance. In many cases, representatives from state agencies (Commerce, Agriculture, Ports, etc.), private allies (utilities, railroads, banks, etc.) and academic institutions also participate on these panels.

In 2011, the Piedmont Triad Partnership organized the Piedmont Triad Economic Development Council, LLC, as its regional marketing entity. The Council expends the General Assembly’s appropriation to the Piedmont Triad Region, with additional county contributions and private funds allocated by the Partnership from corporations.

Pursuant to their obligations under state law, Regional Partnerships file exhaustive annual reports with the General Assembly’s Fiscal Research Division, Speaker of the House, President *Pro Tem* of the Senate, the Secretary of Commerce and other executive branch officials. These reports provide comprehensive facts and figures about each Partnership’s unique regional strategies, programs, collaborative engagements and results.

#### **4. FOOTPRINT**

North Carolina’s Regional Partnerships together serve all 100 counties:

**Advantage West Economic Development Group** – Based in Asheville; Serves 23 counties.

**Charlotte Regional Partnership** – Based in Charlotte; Serves 12 NC counties.

**North Carolina’s Eastern Region** – Based in Kinston; Serves 13 counties.

**North Carolina’s Northeast Commission** – Based in Edenton; Serves 16 counties.

**North Carolina’s Southeast Commission** – Based in Elizabethtown; Serves 11 counties.

**Piedmont Triad Partnership/Piedmont Triad Economic Development Council** – Based in Greensboro; Serves 12 counties.

**Research Triangle Regional Partnership** – Based at RDU Int’l Airport; Serves 13 counties.

#### **5. BUDGET**

Six of the Regional Partnerships operate on a fiscal year calendar running from July to June. Piedmont Triad Economic Development Council operates on a calendar year budget cycle.

Regional Partnerships leverage their state appropriation to draw additional financial resources from private investors, local and federal governments, and philanthropic entities. Some Partnerships utilize in-kind contributions in the form of advertising, marketing support, transportation and other services from private entities sharing a commitment to regional economic success. Partnerships also derive revenue from programs and sponsorships.

*Total State of N.C Grant-in-Aid to the Regional Partnerships, 2008-2013*

<b>2008-2009</b>	<b>\$6,370,000</b>
<b>2009-2010</b>	<b>\$4,750,000</b>
<b>2010-2011</b>	<b>\$4,825,020</b>
<b>2011-2012</b>	<b>\$4,420,000</b>
<b>2012-2013</b>	<b>\$4,580,000</b>

*The following table illustrates how the Regional Partnerships leverage their state appropriation to draw additional direct financial resources into North Carolina's regional economic development network. All figures are 2010-2011:*

<b><u>Regional Partnership</u></b>	<b><u>State of NC Grant-in-Aid</u></b>	<b><u>All Other Funding Sources</u></b>	<b><u>Total Funds</u></b>
Advantage West	\$1,127,559	\$1,327,639	\$2,455,198
Charlotte Reg'l Part	\$558,732	\$2,795,947	\$3,354,679
NC Eastern Region	\$498,990	\$1,863,325	\$2,362,315
NC Northeast Comm.	\$867,625	\$2,073,700	\$2,941,325
NC Southeast Comm	\$623,842	\$345,500	\$969,342
Piedmont Triad Part	\$658,687	\$2,061,475	\$2,720,162
Research Tri Reg Part	\$489,585	\$987,056	\$1,476,641
<b>TOTALS</b>	<b>\$4,825,020</b>	<b>\$11,454,642</b>	<b>\$16,279,662</b>

Thus, every \$1 in state grant-in-aid drew another \$2.37 into North Carolina's regional economic development network. Additional budgeting details are available for each Regional Partnership, as appendices, upon request.

## **6. SALARY COMPLIANCE**

Regional Partnerships comply with North Carolina law limiting the amount of state funds that can be utilized as compensation to employees. That limit is \$120,000. Several employees of Regional Partnerships earn salaries above that amount (all figures for 2012):

*\* President/CEO of NC Eastern Region -- \$156,443. Of the amount, \$15,600 was derived from state funds. The balance came from the organization's interest earnings.*

\* *President/CEO of NC Northeast* – \$142,000. Of the amount, \$120,000 of the amount was derived from state funds; the balance came from private-sector contributions.

\* *Senior V.P., CRP* – \$127,308, all of which is derived from contributions from member counties.

\* *President/CEO, CRP*– \$291,772, all of which was derived from contributions by private investors.

\* *Senior Vice President, RTRP* – \$121,675, all of which was derived from corporate contributions.

\* *President/CEO, RTRP*– \$225,225, all of which was derived from corporate contributions.

Each of the seven Regional Partnerships maintains its own employee-benefits program. In each case those programs include health insurance, dental insurance, defined-contribution retirement plan, disability insurance and term life insurance. Collectively, the seven Regional Partnerships employ a total of 49 FTE staff.

## **7. LOBBYING SERVICES**

Since 2007, the Regional Partnerships have retained Smith Anderson Law Firm as Legislative Counsel. This relationship exists through the North Carolina Economic Development Group, a 501-c-6 organization. B. Davis Horne, Dana Simpson and Matthew Eisley are each currently registered to lobby on behalf of NCEDG. In 2012, the firm was compensated \$96,000 by NCEDG for its representation. All fees and related expense reimbursements paid to Smith Anderson are derived out of non-state funds from the Regional Partnerships (i.e., private and local contributions, program revenues, etc.).

## **8. KEY PERFORMANCE INDICATORS**

Regional Partnerships work with their governing boards and advisory panels in establishing performance indicators that align with unique short- and long-range regional priorities, strategies and programs. Common to all seven Partnerships are regional marketing and outreach aimed at attracting new businesses, jobs and economic investment from outside North Carolina and around the globe. The following statewide “dashboard” report highlights this basic element of Partnership programming and their results for calendar year 2012:

	Trade Shows & Outreach Missions	States/Nations Visited	Direct Business Contacts Made	New Projects
AdvantageWest	14	6/0	159	60
Charlotte Reg.	36	17/6	410	72
N.C. Eastern Reg.	21	11/1	236	39
N.C. Northeast	20	12/0	229	14
N.C. Southeast	14	9/0	122	86
Piedmont Triad	21	7/3	261	39
Research Tri. Reg.	12	15/3	394	64
<b>TOTAL</b>	<b>138</b>		<b>1811</b>	<b>374</b>

	Current Active Projects	Project & Client Visits	Announced New Jobs*	Announced Economic Investment*
AdvantageWest	20	25	2555	\$460,740,000
Charlotte Reg.	53	35	8719	\$2,696,465,689
N.C. Eastern Region	26	29	459	\$197,081,396
N.C. Northeast	64	30	1233	\$228,790,000
N.C. Southeast	38	25	2712	\$455,531,690
Piedmont Triad	38	24	7426	\$1,115,412,003
Research Tri. Region	29	28	5631	\$713,034,913
<b>TOTAL</b>	<b>268</b>	<b>196</b>	<b>28,735</b>	<b>\$5,867,055,691</b>

*\*Preliminary estimates derived from the 2012 Community Investment Report (CIR), a broad measure of economic activity based on sum total of local, state, regional and allied economic development collaboration.*

Regional Partnerships set and monitor individual performance metrics unique to their programs in workforce innovation, tourism and film promotion, infrastructure creation, product development, entrepreneurship and other regional strategies. Those metrics are available as appendices upon request.

## **9. SIMILAR ORGANIZATIONS**

No comparable organizations in North Carolina engage in the same array of programs. In fact, Regional Partnerships fill local service-delivery gaps and serve as vital partners to state agencies. One example: half of the Northeast's 16 counties are unable to employ full-time local economic developers; the NE Commission routinely is called on to handle local job-creation projects. The Southeast Commission recently pulled together college presidents and university chancellors in forging a regional assessment of workforce assets. Far from duplicating other organizations, North Carolina's Regional Partnerships provide cohesion, continuity and synergy necessary for efficient and effective regional economic strategies.

## **10. BUDGETARY IMPACT**

Reductions in state funding have impacted all seven Regional Partnerships. In Charlotte, employee salaries have been frozen and employee benefit programs trimmed, impacting the organization's capacity to retain top national economic development professionals. The same has been true at other Partnerships. North Carolina's Northeast was without a Marketing Director for much of 2011-2012 due to budgetary uncertainty. In all cases, program expenses have been cut – including advertising, travel and marketing collateral. Partnerships have responded with more aggressive private fundraising efforts, which itself consumes staff time. Moreover, highly rural regions such as the Northeast have few sources from which to tap private contributions. Rural communities – which stand to benefit the most from effective regional economic development services – are disproportionately impacted by cuts in state support to their Partnership. By adequately and consistently funding the Regional Partnerships, the General Assembly would signal visible support for regional economic development and further enable these valuable organizations to supplement their state funds with private, philanthropic, and local and federal government contributions.