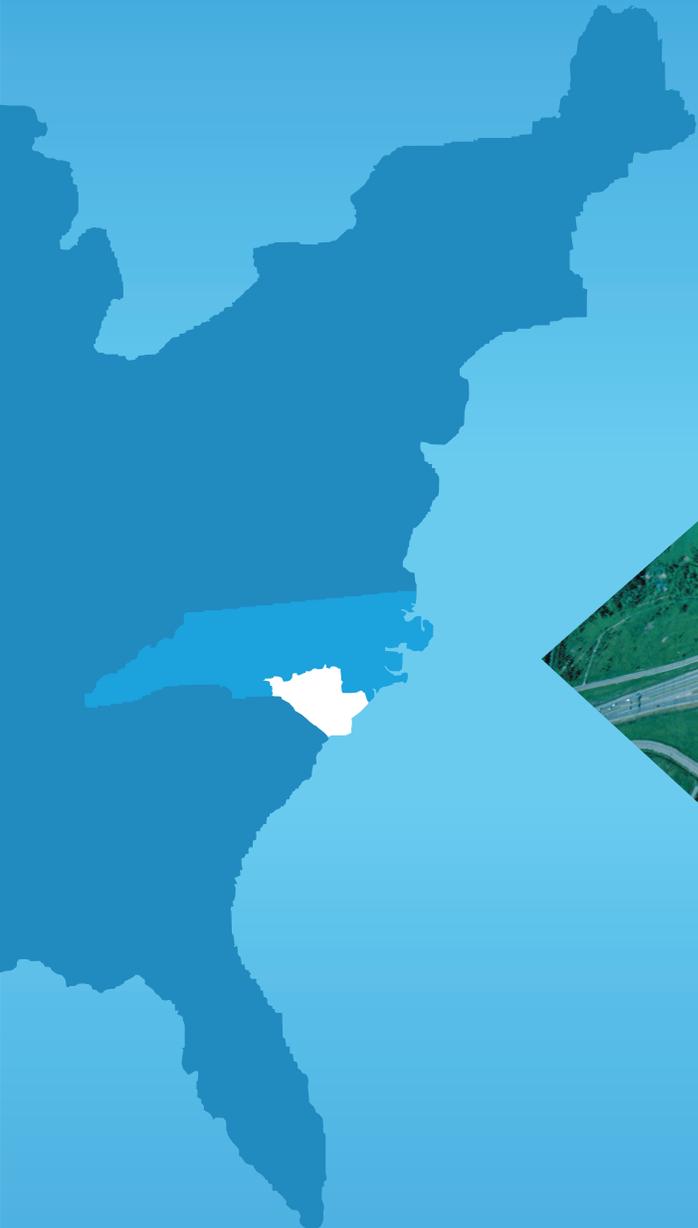


MOVING THE ECONOMIC NEEDLE

2017-2018 Annual Report



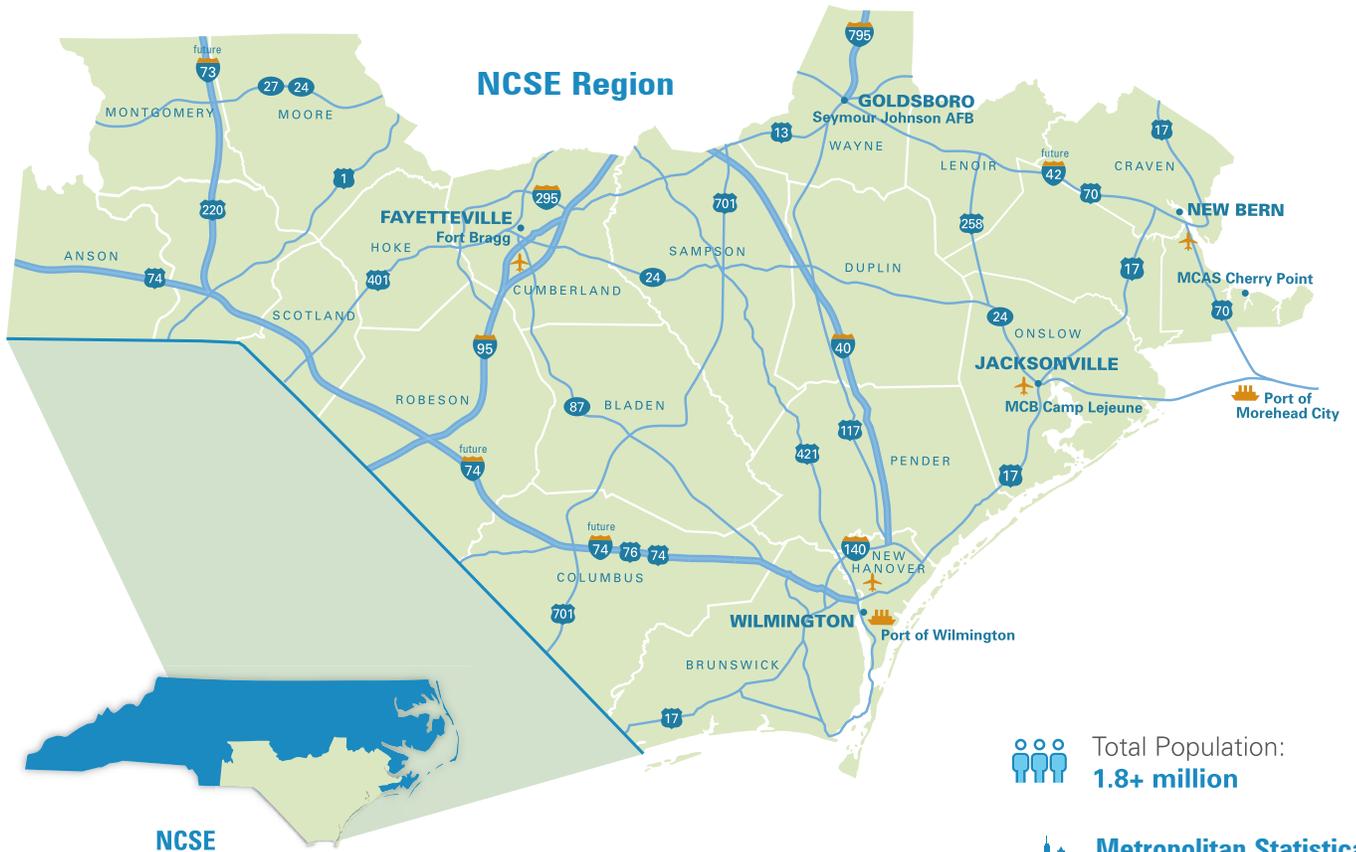
NORTH CAROLINA'S
SOUTHEAST[™]

Regional Economic Development Partnership

THE SOUTHEASTERN PARTNERSHIP

MISSION

Provide strong economic development leadership in southeastern North Carolina through innovative marketing and collaborative regional initiatives that will support the creation of new jobs, generate capital investment, and secure new business locations.



NCSE

Total Population:
1.8+ million

Metropolitan Statistical Areas

21 Nationally ranked universities and community colleges

Two deepwater ports

4 regional airports

Home to **7 military installations** and more than 18,000 exiting military annually

Top 10 region in U.S. for agricultural productivity

Highway access
I-40, I-95, I-74, I-73, I-295, I-140, I-795, future I-42

SUMMARY



Jeff Etheridge
Chairman



Steve Yost
President

Moving the Economic Needle

In regional economic development, there's no substitute for vision. For North Carolina's Southeast, our vision for sustained prosperity centers on enhancing opportunities for companies and citizens throughout our 18 counties. That's the big picture this organization and its partners and allies strive for, and the past year has brought this vision into keen focus in real ways.

The organization's leadership helped produce important announcements in key regional clusters: food manufacturing, advanced textiles, distribution, biotechnology, and energy. Butterball and Campbell's Soup announced large expansions of their operations in the region in Cumberland and Hoke counties with food manufacturing and distribution. Total investment by these companies will be \$67 million, with 190 new jobs. Combined, across the southeast region, these two companies employ more than 3,000 in manufacturing and distribution.

Catawba Biogas, a leading operator of renewable energy facilities, announced plans to build a \$15 million biogas facility in Anson County. The facility will convert poultry waste into natural gas. The announcement was an exciting win for our region's efforts to link our massive agribusiness economy with emerging opportunities in the bioenergy sector.

Since July 1, 2014, when we began the new Southeastern Partnership public-private partnership model, our marketing strategies have helped to facilitate the announcement of 4,155 new jobs, \$976 million in capital expansion investment, and 26 company locations. These results tie back to the collaborative vision formed by our private investors, county governments, and economic development leaders.

That collaborative spirit – a hallmark of NC's Southeast for the past 25 years – was also on display with the NC Biotechnology Center, which worked with us on an update of our innovative digital mapping application that highlights opportunities in biomass and other biorenewable and industrial biotechnology assets. We also launched an important branding campaign with our partners in Craven, Lenoir and Wayne counties to globally promote aviation-related assets and amenities as the "North Carolina Aerospace Corridor."

Our ongoing work with the Economic Development Partnership of North Carolina continues to yield crucial dividends in the form of new projects. This unique relationship maximizes state, regional and allied resources in bringing attention to the Southeast and sharpening our marketing focus in way that results in real opportunities in the real economy – thus moving the needle for our region in meaningful, measurable ways.

4,155
ANNOUNCED JOBS

\$976
MILLION IN
INVESTMENT



FISCAL YEARS 2014-2018

SOUTHEASTERN PARTNERSHIP SUPPORTERS

Private Investors

Public and private investors provide the fuel for The Southeastern Partnership and its important regional economic development programs. Sustained financial support from counties and businesses is critical to the organization's proactive, results-driven agenda that includes producing a measurable return-on-investment for regional investors. Investors benefit through:

- Lead generation and business location opportunities for member counties
- Focused, aggressive marketing of the region that leverages technical, financial and leadership resources
- Economic intelligence that forms the basis of presentations, proposals and active business projects considering the region
- Marketing product through a globally-accessible regional buildings and sites database
- Advocacy for economic initiatives that help the region
- Flexible avenues for private investment through 501(c)(6) and 501(c)(3) organizations

Public Partners

- | | |
|-------------------|--------------------|
| Anson County | Montgomery County |
| Bladen County | Moore County |
| Brunswick County | New Hanover County |
| Columbus County | Onslow County |
| Craven County | Pender County |
| Cumberland County | Robeson County |
| Duplin County | Sampson County |
| Hoke County | Scotland County |
| Lenoir County | Wayne County |

Private Partners



BOARD OF DIRECTORS

Jeff Etheridge
Chairman
BB&T

David Burns
Vice-Chairman
ZV Pate Corporation

Jimmy Smith
Treasurer
North Carolina's EMC

Joann Anderson
Southeastern Health

Steve Blanchard
Fayetteville Public Works
Commisison

Pam Bostic
Southeastern Economic
Development Commission

Spence Broadhurst
First National Bank

Allen Bryant
Brunswick County

Haddon Clark
Sampson Bladen Oil
Company

Harold Cogdell
The Banks Law Firm

Brad Cornelius
Cape Fear Farm Credit

Pat Corso
Moore County

Brenda Daniels
ElectriCities of North
Carolina

Roger Davis
Duplin County

Letitia Edens
Hoke County

Ed Garris
Jacksonville Onslow
Economic Development

Whit Gibson
Scotland County

Chuck Horne
Anson County

Shawn Hunt
Lumbee River EMC

Dr. Larry Keen
Cumberland County

Whitney King
ATMC

Dr. Gary Lanier
Columbus County

Jim Matheny
Montgomery County

Ron Matthews
AROC, LLC

Chad McEwen
Pender County

Mike McIntyre
Poyner Spruill

Jason McLeod
ECS Southeast, LLP

John McNeill
Robeson County
Committee of 100

Etteinne Mitchell
Craven County

Grey Morgan
Southern Bank

John Nelms
Duke Energy Progress

Roger Oxendine
Robeson County

Charles Peterson
Bladen County

Mark Pope
Wayne County
Development Alliance, Inc.

David Sumner
Southeastern Health

Allen Thomas
NC Global TransPark

Harold Thomas
Lenoir County

Dr. John Ward
Brunswick Electric EMC

Bethany Welch
NC Ports Authority

Woody White
New Hanover County

Kermit Williamson
Sampson County

Julie Wilsey
Wilmington Airport

John Young
Columbus Regional
Healthcare Systems

Local Developers Advisory Group

Anson Economic Development Partnership
John Marek

**Bladen County Economic Development
Commission**
Chuck Heustess

**Brunswick Business & Industry
Development**
Bill Early

Columbus County EDC
Dr. Gary Lanier

Craven County Economic Development
Jeff Wood

**Duplin County Economic Development
Commission**
James Wolfe

**Fayetteville Cumberland Economic
Development Corporation**
Robert Van Geons

Jacksonville Onslow Economic Development
Sheila Knight

Lenoir County Economic Development
Keely Koonce

Montgomery County Economic Development
Chris Hildreth

Moore County Partners in Progress
Pat Corso

Raeford/Hoke Economic Development
Will Wright

**Robeson County Economic Development
Commission**
Channing Jones

**Sampson County Economic Development
Commission**
John Swope

**Scotland County Economic Development
Corporation**
Mark Ward

Wayne County Development Alliance, Inc.
Mark Pope

Wilmington Business Development
Scott Satterfield

BUSINESS & INDUSTRY ANNOUNCEMENTS

FY 2017-18 Announced Jobs and Investment

Company	Jobs	Investment	County	Industry Sector
Edwards Wood Products	46	\$ 30,000,000	Scotland	Wood Products
Apparel USA	157	\$ 1,000,000	Robeson	Advanced Textiles
Carrol Poultry	73	\$ 6,500,000	Bladen	Food Manufacturing
Campbell Soup	140	\$ 44,000,000	Cumberland	Distribution & Food Manufacturing
Butterball	50	\$ 23,000,000	Hoke	Food Manufacturing
ITI Technologies, Inc.	35	\$ 3,500,000	Brunswick	Biotechnology
Chesterfield	N/A	\$ 15,000,000	New Hanover	Distribution
Catawba Biogas	10	\$ 15,000,000	Anson	Energy
TOTAL	511	\$138,000,000		

FY 2016-17 Announced Jobs and Investment

	Jobs	Investment
TOTAL	305	\$186,500,000

FY 2015-16 Announced Jobs and Investment

	Jobs	Investment
TOTAL	135	\$124,000,000

FY 2014-15 Announced Jobs and Investment

	Jobs	Investment
TOTAL	3,204	\$527,500,000

FOUR YEAR TOTAL:



4,155
JOBS



\$976,000,000
INVESTMENT

BUILDING ON KEY REGIONAL ASSETS



NC Port of Wilmington



Transportation Network



200 million
consumers within
a two-day drive



Railroad Network

- CSX
- Norfolk Southern
- North Carolina Railroad
- Short Lines
 - Aberdeen Carolina & Western Railway
 - Aberdeen & Rockfish Railroad
 - Gulf & Ohio Railways
 - Laurinburg & Southern Railroad
 - R.J. Corman Railroad Group
- Amtrack passenger service



Regional Airports

- EWN Airport
- FAY Airport
- GTP Airport
- ILM Airport
- OAJ Airport



Military Installations

- Camp Lejeune
- Fort Bragg
- Marine Corps Air Station Cherry Point
- Marine Corps Air Station New River
- Military Ocean Terminal Sunny Point
- Pope Army Airfield
- Seymour Johnson

\$2 billion
annually spent by the
DoD in NCSE Region



Agricultural Base



30+ Fortune 500 Companies



43 International Manufacturers



Universities

- Fayetteville State University
- Methodist University
- University of Mount Olive
- St. Andrews University
- UNC-Pembroke
- UNC-Wilmington

21
colleges and
universities
located in
the region



15 Community Colleges



Advanced Healthcare Facilities



Energy Capacity

- 4 Power Generating Plants
- Natural Gas Transmission Lines
- Atlantic Coast Pipeline

MARKETING AND BUSINESS RECRUITMENT

The Southeastern Partnership is focused on aggressive marketing initiatives and activities resulting in lead-generation of business expansion and relocation opportunities in the region.

Leads by National/International



Lead Generation/Project Process

■ NCSE ■ Allied Partners ■ Company and Allied Partners



Regional Economic Growth

Jobs | Investment
Additional Tax Base
New Regional Industry

MARKETING PERFORMANCE METRICS

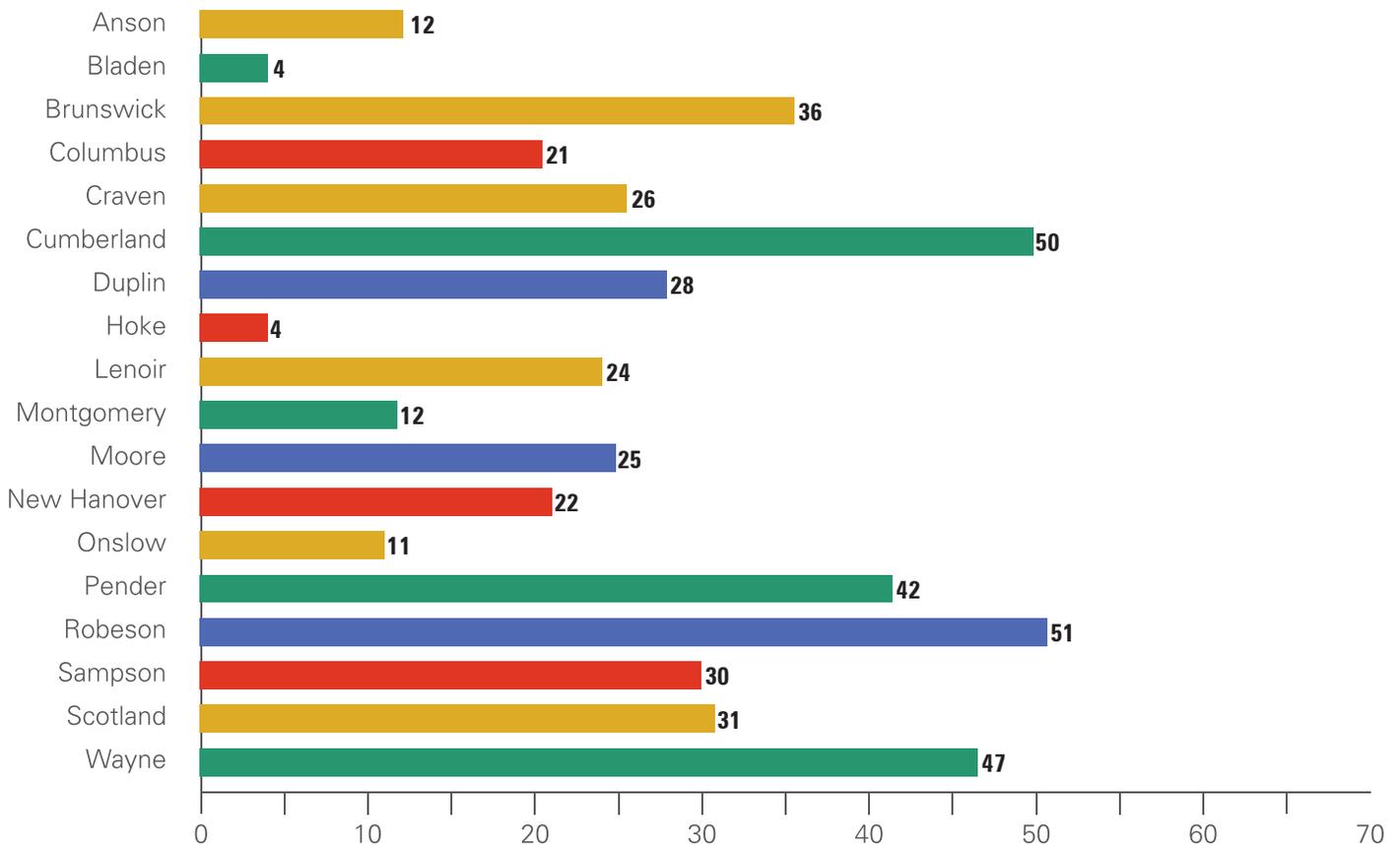
 **155** Leads

 **476** Recommendations
220 Buildings & 256 Sites

 **125** Projects
49 Generated & 76 Assisted

 **51** Company Visits & Meetings

Buildings/Sites Recommendations by County



FOREIGN DIRECT INVESTMENT

FDI Lead Activity in Southeast Region



Number of Leads

10 China	3 Turkey	1 Jordan
8 Germany	3 UK	1 Finland
6 Canada	2 Israel	1 Denmark
6 Japan	2 Italy	1 Czech Republic
5 S. Korea	1 Mexico	1 Chile
4 India	1 Spain	1 Belgium
3 France	1 UAE	1 Australia



International Presence in Southeast Region

- Over 100 foreign-owned operations
- Over 65 different foreign-owned companies
- 23 different foreign countries represented
- 43 manufacturers



Industry Sector Breakdown

43 Manufacturing	1 Aerospace/Defense
8 Distribution/Logistics	1 Automotive
4 Biotechnology	1 Chemicals
3 Advanced Textiles	1 Construction
2 Agri-Industry & Food Processing	1 Mineral Extraction
2 Back Office	

OUR COLLABORATIVE PARTNERSHIP WITH EDPNC

North Carolina's Southeast and the Economic Development Partnership of North Carolina (EDPNC) established a "project management protocol" in 2015 that has successfully increased the visibility of our region's buildings, sites, and assets to state-generated lead and project opportunities. This strong collaboration allows greater coordination and communication among EDPNC, local developers, and NCSE, and allows NCSE counties to compete for more opportunities.



REGIONAL MARKETING OBJECTIVES

2017-2020 Strategic Marketing Plan

In 2017, the Southeastern Partnership developed its next three-year strategic plan for marketing and planning. The organization successfully achieved key regional objectives and goals of its 2014-2017 plan through aggressive implementation of 30 strategies.

GOALS 2017-2020

Regional Economic Growth Goals



Marketing Performance Goals



THREE-YEAR STRATEGIC PLAN



MARKETING EVENTS

Targeted Business & Industry Sectors

- Advanced Textiles
- Agribusiness
- Aviation & Aerospace
- Biotechnology
- Defense & Military
- Distribution & Logistics
- Energy
- Food Processing
- Metalworking



PGA Event (Site Consultants)



Southeast Region Aerospace and Services Summit



SEDC Annual Conference



IEDC Annual Conference



NBAA (National Business Aviation Association) Event



Economix



IAOP (International Association of Outsourcing Professionals)



AeroDef Manufacturing



AUVSI (Association for Unmanned Vehicle Systems International)



Select USA Foreign Direct Investment Event



EDPNC (Economic Development Partnership of NC) Regional Event



Natural Products Expo



Recruiting Missions (3)



Industrial Broker Briefing



Site Consultant Missions (2)



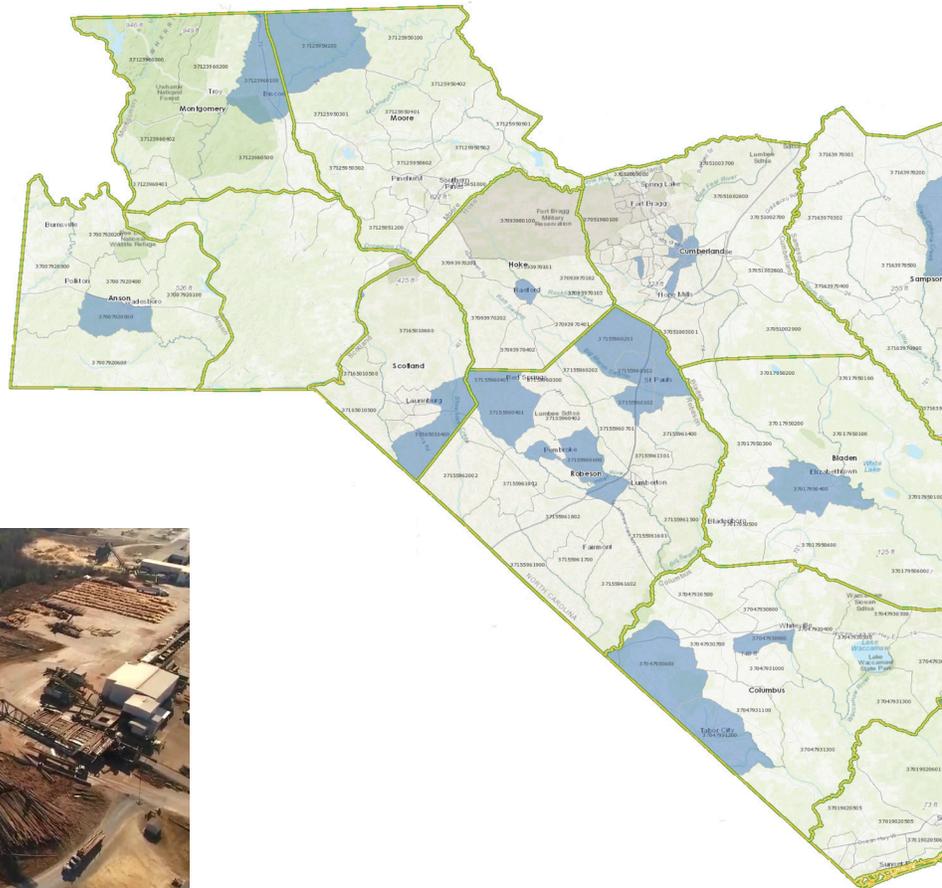
ENHANCING BUILDING & SITES DATABASE

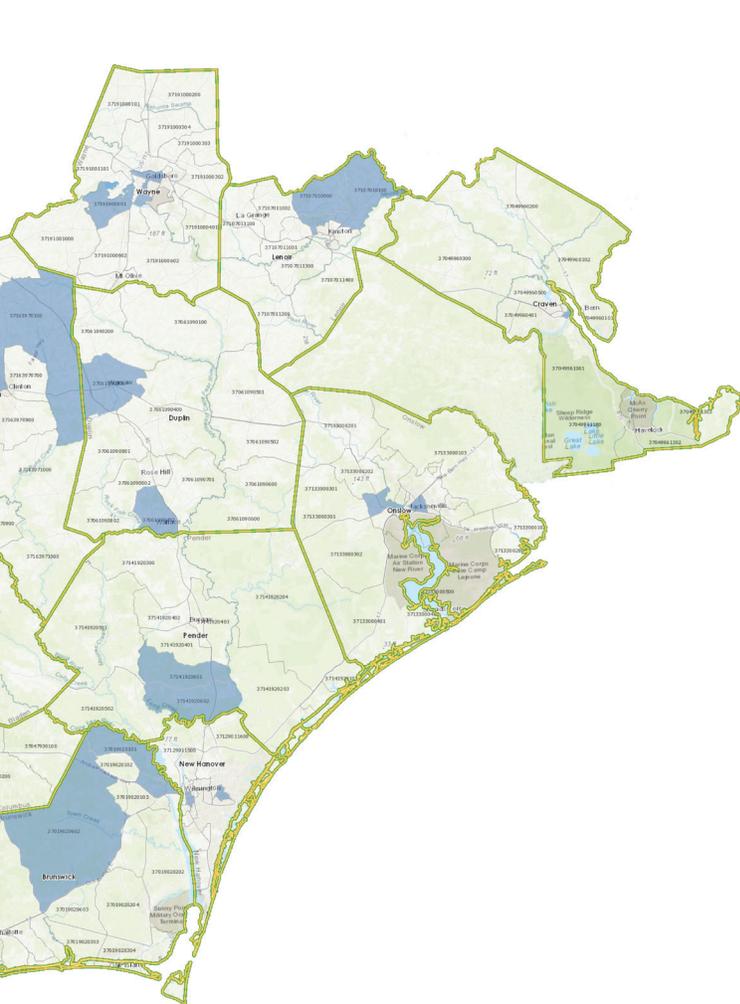
North Carolina's Southeast's marketing strategies for industrial properties across the region are focused on effectively meeting the information needs of real estate brokers, site selection consultants, company executives, and other target audiences. Serving as the global marketing tool for industrial property, the buildings and sites database is a core component of marketing the region for a business location.

NCSE utilizes the Location One (LOIS) web-based building and sites platform which provides full customization at the regional and county level. Combining detailed property data, robust demographic data, high resolution mapping,

and supportive data, NCSE is able to showcase the regional assets for marketing and lead generation. The buildings and sites database has added several enhancements to include: additional layers for rail assets, sorting features for properties, community boundary mapping, multiple property selection for RFI responses, and integration of drone videos. A new layer/mapping function for Opportunity Zones has recently been added to take advantage of this new federal program. All properties in the building and sites database can now be evaluated to determine if they are located within an Opportunity Zone, which creates a stronger value proposition for that building or site.

Opportunity Zone Locations





COLLABORATION WITH COUNTY ECONOMIC DEVELOPMENT ALLIES

Marketing - NCSE harnesses public and private resources to implement a leveraged model for collaborative marketing of the Southeast Region. The organization's annual marketing plan, developed with extensive input from local economic development partners, seeks to generate leads and engage site consultants through a variety of marketing and outreach events, all organized by NCSE.

Project Management - Unique among regional partnerships, NCSE has cultivated a value-added relationship with the Economic Development Partnership of North Carolina that ensures the highest quality site-selection services to clients, consultants and prospective corporate residents.

Marketing Research/Technical Assistance - NCSE provides demographic, labor force, and other data and analysis in support of industrial projects and strategic initiatives.

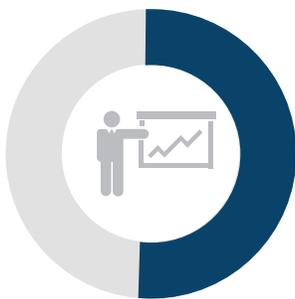
Client Relationship Management - NCSE tracks all project activity through its customized Salesforce.com project management platform. Every lead, project and recommendation is tracked from its initial contact to the company's ultimate location decision. We track metrics and generate reports for member counties.

- Hoover's / D&B
- ESRI
- JobsEQ
- IMPLAN
- Location One
- Salesforce



FINANCIAL STRENGTH AND POSITION

The Southeastern Partnership received an unmodified audit of its financial position and management for FY 2017-18 by S. Preston Douglas & Associates. The Partnership is a 501(c)(6) non-profit organization and is supported by a 501(c)(3) non-profit organization as well. Funding from our private and public partners was used in the following ways to advance our regional mission:



51%
**Business
Development**



36%
**Marketing
Strategies**



12%
Administration



1%
Fundraising



ADVOCACY: ADVANCING THE SOUTHEAST THROUGH LEADERSHIP

NC's Southeast serves as a clear and compelling voice for strategic regional needs – through both good and not-so-good times.

In the difficult and dangerous days after hurricanes Matthew and Florence, the organization moved quickly to help assess damage to economic infrastructure and business operations. We worked closely with state leaders, local partners and private allies to move recovery resources to where they were urgently needed. The organization continues playing a leadership role in calling for public investment in the region's infrastructure to enhance economic resiliency in the wake of weather-related disasters.

Transportation assets are vital to our large, diverse and growing region. We've been vocal in our advocacy for improvements at the Port of Wilmington, long a close strategic and functional ally. Those efforts have resulted in modernization of cargo-handling operations, channel capacity, storage facilities and business amenities that benefit globally-minded companies across Southeastern North Carolina. Aviation allies such as the Global TransPark and Wilmington International Airport keep us closely attuned to opportunities

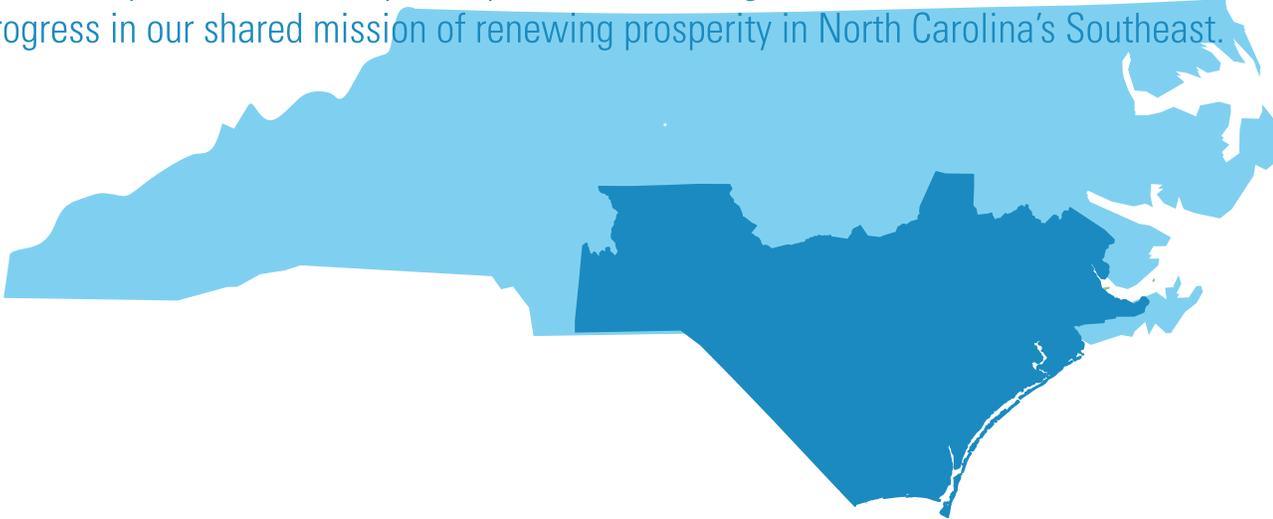
to boost connections between our economy and the world via air.

Surface transportation also is vital. Our highways move everything from raw materials and finished goods to talent and tourists into and through of the region. In the 1990s, for instance, NC's Southeast was crucial in developing the I-73/74 corridor. More recently, we've lent our voice to the call to upgrade U.S. Highway 70 into I-42, a move that will sharpen key industries like aerospace, consumer foods, marine trades and logistics. We've also built a valuable partnership with the North Carolina Railroad Company to survey rail accessibility for the region's industrial sites and parks, efforts that will link the Southeast's economy closely to market opportunities around North America and the world.

Reliable and affordable energy remains the lifeblood of our region's industries. We're proud to partner with Duke Energy and Dominion Energy in efforts to build the Atlantic Coast Pipeline, which will diversify natural gas supplies and serve as an important revenue source for our member counties. No matter the arena, our advocacy role is central to the region's efforts to secure and sustain 21st century prosperity for all our communities.



The Southeastern Partnership is grateful to its partners, investors and allies for their support for collaborative, innovation-based strategies for regional economic advancement. We hope you share our pride in what we have been able to achieve in 2017-18 and through the first three years of our new public/private model. Together we can look forward to continued progress in our shared mission of renewing prosperity in North Carolina's Southeast.





Regional Economic Development Partnership

THE SOUTHEASTERN PARTNERSHIP

707 West Broad Street | PO Box 2556 | Elizabethtown, NC 28337
Phone: 1-910-862-8511 | Fax: 1-888-858-4101 | www.ncse.org