



2009-2010 **ANNUAL REPORT**

Renewing Our Mission: North Carolina's Southeast Commission provides strong regional economic development leadership in southeastern North Carolina through innovative marketing and collaborative regional initiatives that will create new jobs, generate capital investment, and secure new business locations.

FROM THE CHAIRMAN: The Value of Partnership to Address Economic Challenges



In strong or weak economic times, nothing succeeds like partnership. By drawing together public and private funds, leadership and technical expertise, the North Carolina's Southeast Commission (NCSE) is able to maximize and leverage its resources. That's good news for our investors and the people of our region.

Consider the private dollars raised by NCSE—funds applied directly into economic development activities in our region. Contributions from our allies—the utilities, banks and businesses who share our commitment to job growth and regional advancement—augment the operating funding we receive annually from the North Carolina General Assembly. Leveraging financial support from government and business has been key to the results-driven marketing that has brought business development, job creation and capital investment into the region.

There is more to the story than money—much more: NCSE provides a gathering place for a vast array of technical expertise and leadership. Our board, for example, is comprised of longtime community leaders

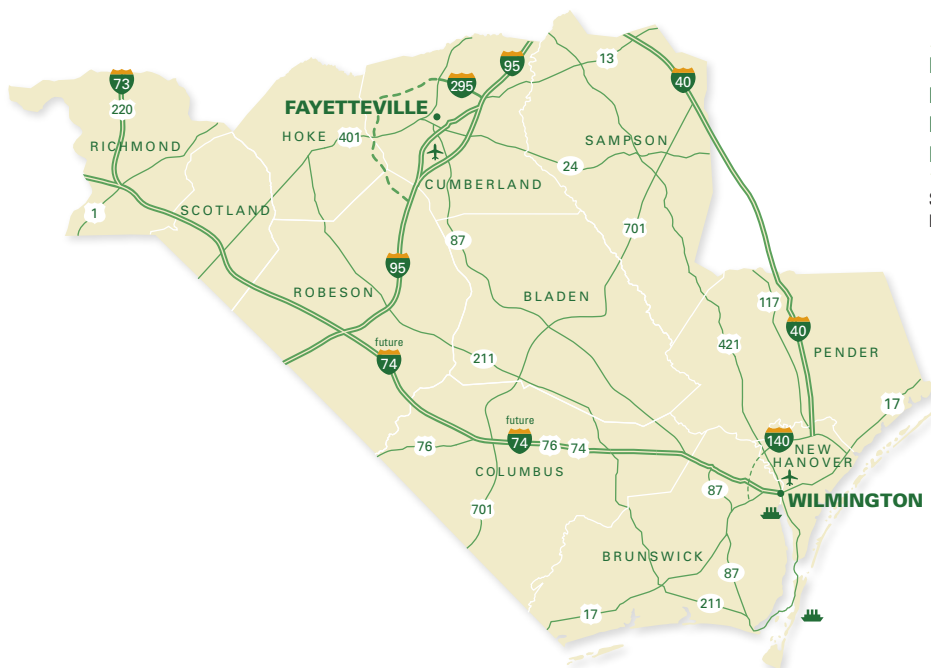
with unparalleled experience in business and government. The Technical Advisory Group (TAG) pulls together talented local and state economic development professionals and front-line representatives of the region's financial, real estate, utility and academic communities. Close working relationships with the BRAC Regional Task Force and the Southeastern Economic Development Commission, with whom we share office space, highlight our partnership with important federal entities.

The Southeast Region has assembled an impressive team of partners. Through the facilitation of NCSE, they work together and work hard to embrace the exciting possibilities—and overcome the obstacles—faced in a fast-shifting global economic environment.

In the following pages, you will find detailed information about our programs and partners—and our results. The region is accomplishing great things, and we are constantly moving forward. Together with our partners, we're creating new jobs and adding real value.

Sincerely,
Jane W. Smith, Chairman

NORTH CAROLINA'S SOUTHEAST REGION



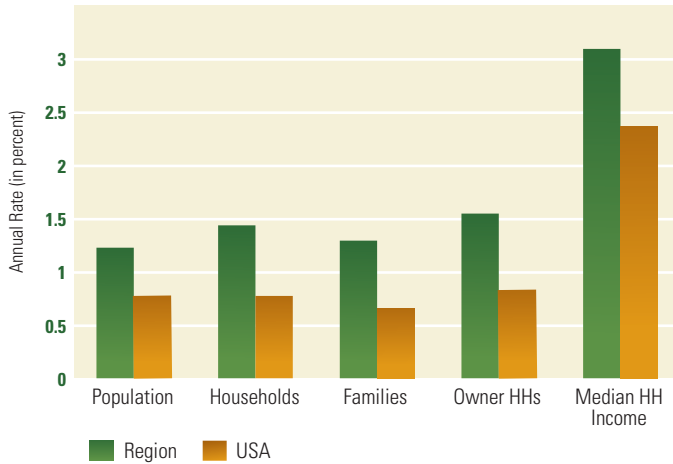
	2010	2015
Population	1,106,566	1,176,398
Median Age	36.4	37.4
Median Household Income	\$44,950	\$52,370
Labor Force	516,148	542,423

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2010 and 2015.



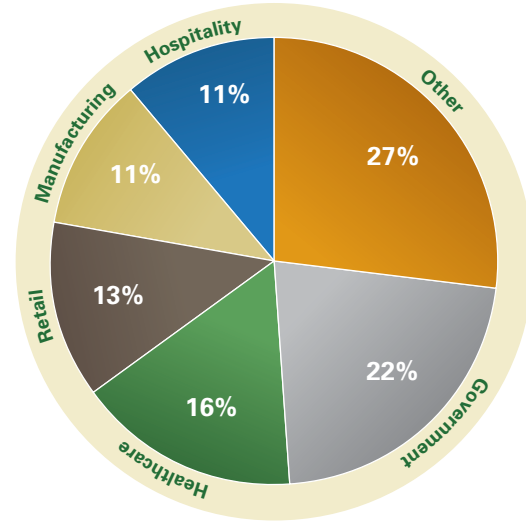
NORTH CAROLINA'S SOUTHEAST REGIONAL SNAPSHOT

Trends 2010-2015



Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2010 and 2015.

Workforce By Industry



FORTUNE 500 COMPANIES

Company	Product or Service
ADM	Citric Acids Mfg.
Aramark	Uniform Distribution Center
Arvin Meritor	Automotive Supply Mfg.
AT&T	Customer Service Center
BB&T	Regional Headquarters & Call Center
Campbell Soup Company	Food Processing Mfg.
Celanese	Polymer Mfg.
Coca-Cola	Distribution Center
Corning	Fiber Optic Mfg.
CSX	Rail Hub Centers
Danaher	Measuring Instrument Mfg.
DuPont	Chemical Mfg.
Eaton Corporation	Auto Parts Mfg.
FedEx	Distribution Center
General Electric	Aircraft Engine Mfg.
General Electric	Nuclear Energy HQ
Goodyear	Tire Mfg.
Hexion	Chemical Mfg.
International Paper	Paper Products Mfg.
Mohawk	Apparel Distribution Center
Nash Finch	Food Distribution Center
Pepsico	Distribution Center
Pfizer	Pharmaceutical Mfg.
Philips	Security Lighting
Praxair	Industrial Gas Mfg.
Progress Energy	Energy Production
Smithfield Foods	Food Processing Mfg.
Time Warner	Customer Service Center
Terex	Crane Mfg.
UPS	Distribution Centers
Verizon Wireless	Customer Service Center
Wal-Mart	Distribution Center
Waste Management	Waste Facilities
Weyerhaeuser	Paper Products Mfg.

INTERNATIONAL COMPANIES

Company	County	Parent Location
ALPLA, Inc.	Hoke	Austria
Aludisc	Sampson	Venezuela
Camaq Scientific	New Hanover	Sweden
Cascades Industries	Richmond	Canada
Chemtex	New Hanover	Italy
Coverbind Corporation	New Hanover	Switzerland
DAK	Brunswick & Cumberland	Mexico
FCC	Scotland	Japan
Feller, LLC	Brunswick	Austria
Filtec Precise	Columbus	Germany
Fortron	New Hanover	Japan
Fraser West Timber	Columbus	Canada
Hanjin Shipping	New Hanover	South Korea
Hanson & Ortho Fibers	New Hanover	Sweden
Ika Works	New Hanover	Germany
Ikadan Systems USA	Sampson	Denmark
Independent Order of Foresters	Cumberland	Denmark
Interroll Corporation	New Hanover	Switzerland
Meyer Laminates	New Hanover	France
Philips	Pender	Netherlands
Pilkington	Scotland	UK
Rexam Closure	Richmond	UK
Schindler	Sampson	Sweden
Teijin (partner w/ DuPont)	Cumberland	Japan
Unilever	Hoke	UK & Netherlands
Wieland Electric	Pender	Germany

MARKETING RESULTS

North Carolina's Southeast Industry Announcements 2009-2010

Company		County	Primary Activity	# of Jobs	Capital Investment
Plastek Industries	New	Richmond	Manufacturing	250	\$19,000,000
Custom Door Parts, Inc.*	New	Robeson	Manufacturing	25	\$2,500,000
Discovery Textiles, Inc.*	New	Columbus	Manufacturing	18	\$400,000
Tiger Swan Inc.*	New	Columbus	Service/Sales	54	\$7,000,000
Southern States	New	New Hanover	Manufacturing	30	\$25,000,000
Tactical Gear Distributors	New	Scotland	Warehouse/Distribution	35	\$1,200,000
Archer Daniels Midland Co.	Exp	Brunswick	Manufacturing	8	\$4,800,000
Mountaire Farms Inc.	Exp	Robeson	Manufacturing	51	\$17,900,000
Therafirm Compression Hosiery Inc.	Exp	Richmond	Manufacturing	24	\$1,250,000
Richmond Yarns Inc.	Exp	Richmond	Manufacturing	135	\$1,000,000
Blacks Tire Service Corp	Exp	Bladen	Manufacturing	20	\$1,500,000
DuPont*	Exp	Cumberland	Manufacturing	10	\$57,000,000
ALPLA, Inc.*	New	Hoke	Manufacturing	40	\$7,200,000
Centre Ingredient Technologies, Inc.*	New	Richmond	Manufacturing	20	\$2,500,000
TOTAL				720	\$148,250,000

*North Carolina's Southeast was directly involved with the highlighted companies.

Compiled by NC Commerce: B&I Client Services Management

Marketing the Region

Trade Shows:

AWFS (Woodworking): Las Vegas, NV

FABTECH (Metalworking): Chicago, IL

World Wide Food Expo
(Food Processing): Chicago, IL

RILA (Distribution): Orlando, FL

Miami Boat Show (Boatbuilding):
Miami, FL

AUSA (Military Contractors):
Washington, DC

Windpower 2010 (Alternative Energy):
Dallas, TX

Bio 2010 (Biotechnology): Chicago, IL

Consultant Missions:

Dallas, TX (November 2009 and
May 2010)

Atlanta, GA (November 2009)

Greenville, SC (January 2010)

Consultant Events:

Charlotte, NC (October 2009)

Raleigh, NC (November 2009)

Dallas, TX (Consultants Forum)

Recruiting Missions:

Greenville, SC (January 2010)

New Jersey/New York (May 2010)

Four Direct Marketing Campaigns:

Biotechnology

Food Processing and Agri-Industry

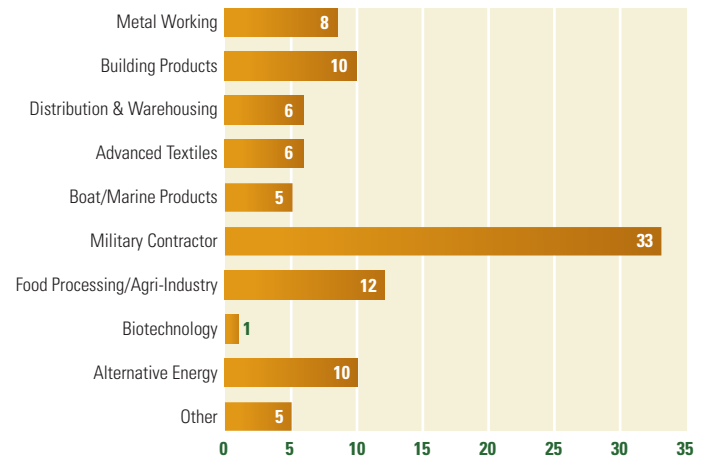
Building Products

Metalworking

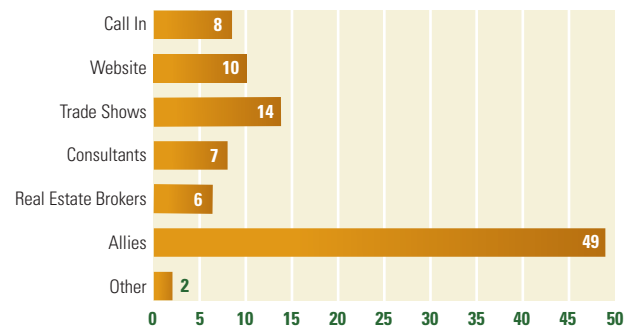
Regional Profile Update

Completed by NCSE, UNC-Wilmington,
Fayetteville State University and
UNC-Pembroke

Leads by Targeted Industry Sector



Project Lead Sources



North Carolina's Southeast Activities

Project Activity	YTD Total
Leads Generated	96
Building & Site Recommendations	185
Individual Company Visits	33
Visits to Buildings & Sites	70



WHERE WE'RE HEADING: THE REGION'S TARGETED INDUSTRIES

Accomplishments in the Region

With its global accessibility, modest costs, innovative workforce and enviable quality of life, the Southeast Region is a competitive destination for success-minded business of all sorts. But our unique amenities fit particularly well with existing and emerging clusters. Successes within these clusters in the past year include:

Building Products

With its easy access to fast-growing East Coast population centers, the Southeast Region allows for excellent access to both global buyers of quality building products and raw materials.

- Location of Custom Door Parts, Inc. in Robeson County
- Renewed growth of sector in coastal and urban areas of region

Advanced Textiles

A well-trained workforce proficient with cutting-edge technologies makes the Southeast Region ideal for advanced textile manufacturing.

- Discovery Textiles (warp knitting) located in Columbus County
- ALPLA, Inc. (plastics packaging) located in Hoke County
- Plastek Industries located in Richmond County
- Richmond Yarns expansion
- Therafirm Compression Hosiery expansion

Distribution & Logistics

The Southeast Region's mid-Atlantic location provides excellent distribution access and logistics efficiencies for companies engaged in manufacturing, assembly and retail distribution.

- Opening of North Carolina International Logistics Park
- Availability of 1,000 acre Mid Atlantic Logistics Center site
- Opening of Pender Commerce Park
- Opening of I-40, Exit 355 Industrial Park

Boatbuilding and Marine Trades

The Southeast Region is a ready home for boat construction and testing as well as serving to help companies connect to potential suppliers, business partners and customers.

- Location of Aegis Unsinkable Boats in Bladen County

Metalworking

The Southeast Region's metal products manufacturing cluster produces a range of products, and our community colleges provide training in welding, fabrication, machining technology and robotics.

Food Processing and Agri-Industry

The Southeast Region is one of the world's most competitive when it comes to production of food and agri-products.

- Location of Center Ingredient Technologies in Richmond County
- Expansion of Campbell Soup facility in Robeson County
- Expansion of Mountaire Farms facility in Robeson County

Military Contractors

The Southeast Region's proud legacy as a military community is embodied by Fort Bragg, longtime home to the 82nd Airborne and the U.S. Army Special Operations Command.

- Location of Tiger Swan, Inc. in Cumberland County
- Location of Tactical Gear distribution company in Scotland County
- Opening of Boeing office near Fort Bragg
- Opening of defense military industrial park in Fayetteville
- Opening of military R&D lab in Fayetteville

Biotechnology

The Southeast Region has numerous opportunities for emerging and established biotechnology companies, and is home to a large cluster of contract research organizations.

- Approval for \$30 million marine biotechnology research center at UNCW
- Initiation of AgBioTech Action Team in region
- Growth of university/community college partnerships for algae research/product development

Energy

The Southeast Region has the natural resources, power transmission infrastructure, and abundant feedstock for the growth of energy companies.

- Location of biomass facility in Scotland County
- Development of wood biomass sector
- Expansion of Dupont's Tedlar® polyvinyl fluoride film product
- Announcement of regional natural gas line
- Conversion of Sutton power plant to gas fired

EMERGING INDUSTRY CLUSTERS

Alternative Energy

The Southeast Region is an attractive destination for producers of non-traditional sources of energy such as bio-fuels, solar, wind, biomass and nuclear. GE-Hitachi Nuclear Energy's longtime and growing presence in New Hanover County and the 2010 launch of Clean Burn Fuels' \$100 million ethanol facility in Hoke County provides ample evidence of the region's capacity to cultivate an impressive share of jobs and investment in this increasingly prominent industry segment.

Aerospace and Aviation

The completion in 2010 of Spirit AeroSystems' manufacturing site at the Global TransPark and the selection by Boeing Corporation of North Charleston, S.C., highlight the exciting emergence of the Carolinas as a new center of activity in the global aerospace and aviation industry. Sandwiched between those two important manufacturers, NCSE is also poised to emerge as a go-to destination for aviation related companies, suppliers and service providers.

COLLABORATION IN THE REGION

North Carolina's Southeast and the Southeastern Economic Development Commission (SEDC), an office of the U.S. Economic Development Administration, co-located offices in February 2010 at the current NCSE office. Both organizations have had a strong working relationship for many years.



Steve Yost, Director, NCSE; **Jane Smith**, Chairman, NCSE; Congressman **Mike McIntyre**; **Linda Revels**, Chairman, SEDC; **Pam Bostic**, Executive Director, SEDC

COMPANY SPOTLIGHTS

Nice Blends Corporation

Through its marketing efforts, North Carolina's Southeast worked with Nice Blends Corporation to locate its operation in Whiteville, NC. The company purchased a 57,000 sq. ft building in Southeast Regional Park and projects to create 35 jobs and bring an investment of \$2 million to Columbus County. In addition to its sweet potato products the company will produce salt-and-pepper packets, and fried-chicken breading.

The company president, Barrie Nadi, considers Columbus County the ideal location for their company's facility. Mr. Nadi is quoted as saying, "The area is home to many high quality sweet potato growers, and its proximity to Interstate 95 provides excellent access to our customers along the East Coast."

ALPLA, Inc.

A multi-year marketing/recruitment effort by North Carolina's Southeast led ALPLA, Inc., formerly based in Georgia, to locate its plastic packaging supplier operation in Raeford, NC. This new manufacturing facility will create 40 jobs and provide an investment of \$7.2 million in Hoke County.

ALPLA, Inc. will occupy an approximately 130,000 sq. ft. building previously used by Unilever. This Austria based company has operations in Asia, Europe, South America, and North America. The company will manufacture bottles to be used for products such as body wash, shampoos, and conditioners. "This move will provide us with exceptional value," according to Michael Koenig, Director of Finance for ALPLA, Inc.

NORTH CAROLINA'S SOUTHEAST STRATEGIC PLAN

North Carolina's Southeast unveiled its strategic marketing plan for 2010-2011. NCSE's mission is to provide strong economic development leadership in southeastern North Carolina through innovative marketing and collaborative regional initiatives that will create new jobs, generate capital investment, and secure new business locations. Within this mission is a long-term goal to help the southeast region become as globally competitive as possible in the area of quality job growth.

NCSE's marketing plan was developed by the NCSE board of directors and its Technical Advisory Group, which includes more than 30 organizations. *This collaborative approach toward targeted economic development marketing builds upon the diverse resources and skill sets the southeast region offers to companies considering a location in the region.*

SETTING THE STAGE: STRATEGIC INITIATIVES

Regional Workforce Initiative

Advancing the region's economy over the long-term requires a workforce aligned with the current and future needs of employers. Regional economic and workforce development leaders, as well as businesses considering investments in the Southeast Region, must have accurate, relevant data. NCSE is using \$160,000 in federal, state and internal funds to perform a comprehensive assessment of the region's labor force assets. NCSE is facilitating the project, which will include participation from the region's five Workforce Investment Boards, nine community college campuses, three public universities and the state Department of Public Instruction's Career & Technical Education program.

Near-Port Distribution Strategy

Close collaboration between county, regional and state officials is at the heart of the Southeast Region's "near-port" distribution center strategy. The vision aims to create a hub for trade-related businesses and jobs comparable to the regions surrounding Savannah and Norfolk. The Port of Wilmington, whose shipping volume is growing at the fastest rate in the nation, is central to the strategy, as are the ready-to-go industrial properties in nearby Bladen, Brunswick, Columbus, Pender and Sampson counties.

The 1,007-acre North Carolina International Logistics Park (NCILP), for instance, is about 20 miles from the Port of Wilmington. The product of a partnership between Brunswick and Columbus counties, NCILP was formally unveiled in May 2010. Near the Pender County/New Hanover County line, the 378-acre Pender Commerce Park will similarly make an attractive backdrop for warehousing and distribution-center operations. Enhancements in and around the Port during the last decade combined with major highway improvements in the region raise the likelihood of success for the strategy.

Heritage Tourism Corridor

A unique 40-county tourism initiative is succeeding through the collaborative leadership of North Carolina's Southeast, North Carolina's Northeast Commission and North Carolina's Eastern Region. The three regional partnerships, united under the banner of the Eastern North Carolina Tri-Regional Heritage Tourism Partnership, are working with local tourism officials in making the case for a federally supported National Heritage Area in Eastern North Carolina. With financial support from the Golden LEAF Foundation, the coalition has engaged the services of Hanbury Preservation Consulting to conduct the data-gathering, facilitation and documentation required by the U.S. Government. Its work will culminate in a National Heritage Area feasibility study, marketing plan, asset inventory, marketing theme and branding message for the Eastern North Carolina Tri-Regional Heritage Tourism Partnership.

BIZBOOST: ENERGIZING THE REGION'S SMALL BUSINESSES

In early 2010, NCSE began partnering with the North Carolina Small Business & Technology Development Center (SBTDC) in a unique program to assist small businesses in the region with market intelligence, strategic planning and technical support. Through the "BizBoost" program, SBTDC is harnessing federal recovery funds and workforce development resources to enhance job retention and creation at firms with fewer than 100 workers—about 95 percent of North Carolina businesses.

BizBoost in the Southeast: Outcomes and Impact

Client Businesses Served:	103
Jobs Created:	182
Loans Obtained:	4
Total Capital Formation:	\$1,150,750
Government Contracts Awarded:	27
Value of Gov't Contracts:	\$5,188,083

Source: SBTDC. Impacts are based on the number of client businesses reporting impact data (16% of those who received services). Additional clients are expected to report data in subsequent quarters.

Entrepreneurial and Small Business Development

The slowdown in the economy has not diminished the growth of the entrepreneurial and small business community in southeastern North Carolina. As small business represents the majority of US employers, NCSE recognizes the significant impact growth of these companies can have on job creation, generating wealth, and growing local economies. In order to be responsive to this emerging trend in economic development, NCSE is devoting resources toward assisting the start-up and growth of small companies and entrepreneurs looking to start business in an array of industry sectors.

Efforts are underway to establish a small business support network that will provide smaller office and industrial space, financial assistance, and access to local and global markets. Building upon its strong and broad ally network, NCSE is positioning itself to foster a regional environment that is conducive to the establishment and growth of smaller companies, that supports a company's transition from research and development to commercialization, and links smaller companies with local investment partners.



TECHNICAL ADVISORY GROUP (TAG)



John Swope, Chairman
Sampson County EDC

Scott Satterfield
Billy King, Vice-Chairman
Wilmington Industrial
Development Commission

Greg Cummings
Robeson County EDC

Rick Sago
Richmond County EDC

Greg Icard
Scotland County EDC

Chuck Heustess
Bladen County EDC

Jim Bradshaw
Brunswick County EDC

Gary Lanier
Columbus County EDC

Don Porter
Raeford/Hoke County EDC

Bo Gregory
Fayetteville-Cumberland County
Chamber of Commerce

Ken Allen
Martie Butler
NC Dept. of Commerce

Paul Barnes
Aberdeen & Rockfish RR Co.

Pam Bostic
Southeastern Economic
Development Commission

Lawrence Bivins
Evensong Communications, Ltd.

John Monaghan
Piedmont Natural Gas Company

John Elliott
Progress Energy

Andy Honeycutt
Progress Energy

Conley A. Hilliard
ElectriCities of North Carolina

James E. Yokeley, Jr.
NC State Ports Authority

Annette Dunlap
NC Department of Agriculture

Mark Council
NC Community College System

John H. Lyon
AT&T North Carolina

Sylvia Pate
UNC-Pembroke

Tony McEwen
Congressman Mike McIntyre's Office

Randall Johnson
NC Biotech Center

Curtis Charles
Fayetteville State University

Mark Lanier
UNC-Wilmington

Alex Reed
NC State University

Wanda Sayer
BB&T

Leon Martin
First Citizens Bank

Greg Taylor
BRAC RTF

Mike Bradley
NC Boating Services

The North Carolina General Assembly provides funding annually to North Carolina's Southeast and the other partnerships. We are appreciative of their vision and efforts for economic development in North Carolina.



Steve Yost, Director

Joe Melvin, Marketing Manager

Tammy McPherson, Office Manager

Marie McKoy, Technology Specialist

Bart Richardson, Marketing Research Developer

707 West Broad Street
PO Box 2556
Elizabethtown, NC 28337
(800) 787-1333 or (910) 862-8511
Fax: 910-862-1482
www.ncse.org

NORTH CAROLINA'S SOUTHEAST COMMISSION BOARD OF DIRECTORS 2009-2010

Jane W. Smith
Chairman – Lumberton

Kermit D. Williamson,
Vice Chairman – Clinton

Wyatt G. Upchurch
Treasurer – Raeford

J. C. Batchelor, Jr.
Elizabethtown

Delilah B. Blanks
Riegelwood

Mary H. Childs
Southport

W. Lee Crouch, Jr.
Wrightsville Beach

Fred B. Davenport
Wilmington

Michael Green
Fayetteville

Billy D. Horne
Stedman

William W. Phipps
Tabor City

Kenneth R. Robinette
Marston

James LaFayette Smith
Hampstead

J. D. Willis
Laurinburg

Robert Howard
Southport

Shirley Harris
Troy (Ex-Officio)

PUBLIC PARTNERS AND ALLIES

North Carolina General Assembly
Aberdeen and Rockfish Railroad
ElectriCities
Electric Membership Cooperatives of Southeastern NC
Fayetteville State University
University of North Carolina Pembroke
University of North Carolina Wilmington
North Carolina State University
North Carolina Biotechnology Center
North Carolina Boating Services
North Carolina Community College System
North Carolina Department of Agriculture
North Carolina Department of Commerce
North Carolina State Ports Authority
Small Business Technology Development Center
Southeastern Economic Development Commission
BRAC Regional Task Force
North Carolina Governor's Office
North Carolina Department of Public Instruction
Local Economic Development Organizations



NCSE is a member of the N.C. Partnership
for Economic Development with the
N.C. Department of Commerce.

CORPORATE PARTNERS

