

MEMORANDUM

TO: Chairman of Senate Finance Committee, Senator Hugh K. Leatherman, Sr.
Chairman of House Ways & Means Committee, Representative W. Brian White
Secretary of Commerce, Robert M. Hitt III

FROM: David T. Ginn, President & CEO

COPY: Chris Huffman, Chief Financial Officer, SC Department of Commerce

DATE: October 30, 2018

RE: FY2017-18 Appropriation pursuant to Proviso 50.13
2018 Annual Report

The Charleston Regional Development Alliance (CRDA) is the regional economic development organization representing Berkeley, Charleston and Dorchester counties. Our organization leads a global marketing effort to attract world-class businesses and talent, and works directly with companies to facilitate new, high-value business investment within the three-county region. We also collaborate with other entities to ensure a globally competitive, sustainable regional economy.

The South Carolina Department of Commerce matching funds program has allowed us to leverage private-sector investments to greatly enhance our overall economic development program. A portion of this funding has also been directed to the Palmetto Partners program to help fund statewide, collaborative marketing initiatives.

On behalf of the CRDA Board of Directors, I am pleased to submit the following report providing a comprehensive overview of matching fund expenditures tied to the FY17-18 program. This report covers our activities through September 30, 2018.

If you have questions or would like additional information about any of the activities outlined in this report, please contact me directly at 843-760-4524 or dginn@crda.org.

Financial Summary

State appropriations:	\$671,084.56
State funds used as of 9/30/18:	\$201,565.00

Key Focus Area 1

Global Business Development / Strategic Marketing

Estimated state appropriations: \$460,000
State funds used as of 9/30/18: \$157,337

Includes:

- Prospect Qualification & Lead Generation
- Active Project Facilitation
- Outbound Marketing Missions
- Conferences, Trade Shows and Association Meetings
- Inbound Business Development Events / Hosting
- Support for Palmetto Partners
- Global Media Outreach
- Digital Marketing
- Sales Support

The CRDA drives a global marketing and business development program to attract the world's best companies, entrepreneurs and professional talent. We also serve as consultants and facilitators for companies considering a competitive investment in the region.

Our regional marketing and business development activities are designed to align with One Region, a broad-based competitiveness strategy launched in May 2016. This strategy knits together an array of economic, community and workforce development initiatives to help the Charleston region sustain our current economic momentum. The One Region vision is to act as a unified region to be a globally competitive place where people and businesses flourish.

Following is an overview of related activities through September 30, 2018.

1. Prospect Qualification & Lead Generation

The CRDA engages in a globally focused lead generation and prospect qualification effort to strategically target relevant companies that a) fall within the region's industry and geographic targets; b) are actively pursuing investment opportunities; and c) would consider the Charleston region as a potential location for that investment.

We've also added "High-Value Targets" to the mix, defined as large, multinational corporations with multiple divisions and annual revenues over \$1 billion. Due to their prominence and / or decision-making value, these companies are targeted for their strong multiplier effects and long-term potential to both grow existing regional investments and/or expand investments to multiple lines of business.

Since initiating our prospect qualification and lead generation program, we've met with hundreds of qualified companies. Many of these companies have subsequently visited the Charleston region, which is a significant project milestone indicating the region is in the top 3-5 locations under consideration.

By employing this valuable resource when planning marketing missions, attending tradeshows and hosting in-bound visits, we have significantly increased the quantity and quality of our company interactions. We've also greatly expanded our relationship network within our target clusters, which will continue to pay dividends in the years ahead.

2. Active Project Facilitation

The CRDA devotes significant resources toward working with companies considering our region for competitive business investments. We serve as a confidential resource to help streamline the site selection process, assist companies with issues ranging from buildings and sites to financing and workforce training, and connect corporate executives to relevant local business, government and academic resources.

Through September 30, 2018, we allocated funds from the FY17-18 matching funds program to support these mission-critical activities. We've partnered with the SC Department of Commerce and our three county economic development directors to engage with dozens of companies with a potential interest in our state and region. Many of these companies have visited our region for executive briefings and customized tours, including pre-arranged meetings and visits to potential sites and buildings. In FY17-18, we hosted an average of 10 companies per month for project visits. We've also traveled to companies' headquartered locations to discuss project details with key decision makers.

CRDA is also facilitating a Landing Pad program, which targets successful firms that are making initial forays into the Charleston market. The goal is to encourage these companies to establish small-scale entry operations here, laying the foundation for future growth and investment opportunities for our region.

3. Site Selector Event – May 15, 2018

In the spring of 2018, CRDA participated in a site selector event in Chicago organized by the SC Department of Commerce and led by Commerce Secretary Bobby Hitt. Along with other SC regional alliances, we hosted 16 site consultants to update them on activity and opportunities in South Carolina.

4. Gregson & Co. NextGen Talks – May 7-9, 2017

CRDA traveled to Asheville, NC for an event designed to build relationships with next-generation site consultants. The NextGen Talks Conference brings together up-and-coming site selection consultants and economic developers. Panels and presentations focused on FDI, entrepreneurship, tackling the talent challenge, new approaches to HQ relocations, and technology related to the changing perspectives in site selection and economic development. The Aeronautical Training Facility in Charleston received a shout out from Amy Holloway, CEO of Avalanche Consulting, during her presentation on tackling the talent challenge.

5. BIO International Convention – June 4-7, 2018

This high-level conference is held each year by the Biotechnology Industry Organization (BIO), the world's largest biotechnology trade association representing 1,000+ biotech companies, academic institutions, state biotech centers and related organizations across the U.S. plus more than 30 other countries. The 2018 conference, held in Boston, drew 16,000+ attendees including C-level leaders,

researchers, business developers, up-and-coming innovators, sponsor companies and solution providers. CRDA partnered with SC BIO to attend this major industry event. We participated in nine company meetings resulting in five new projects.

6. SC Dept. of Commerce Detroit Mission – June 4-7, 2018

CRDA joined the SC Department of Commerce for a multiday mission in the Detroit, MI area for several meetings arranged by our lead generation firm. During the visit, the group met with 11 companies in the automotive sector, including two with current projects and six with new projects. Most of the companies are Tier 1 and Tier 2 suppliers looking to expand their footprint in the Southeast.

7. Boeing Supplier Summit & Reception – June 6, 2018

In early June 2018, Boeing held a Supplier Summit in Charleston attended by approximately 80 Tier 1 and Tier 2 aerospace suppliers. During the summit, CRDA presented an overview of Charleston's advantages for the aerospace sector. We also hosted 63 guests for a reception at The Dewberry hotel. Guests included Boeing representatives, suppliers, active projects and leaders in the Charleston community.

8. SelectUSA Investment Summit – June 20-22, 2018

The SelectUSA Investment Summit is the highest-profile event dedicated to promoting foreign direct investment (FDI) in the U.S. It features senior government officials, C-suite business executives, and other thought leaders focused on the U.S. investment environment, industry trends, and new opportunities. CRDA participated in the 2018 event as a member of the South Carolina Delegation. We met with seven companies resulting in one active project.

9. SE Aerospace & Defense Conference – June 25-27, 2018

This inaugural conference, held in Mobile, AL, brought together suppliers, OEMs, aerospace companies, financiers and investors. The event focused on ways suppliers are building for the future and included nine networking opportunities. During the conference, we met with seven new companies and followed up with five existing company contacts.

10. Farnborough International Airshow – July 16-20, 2018

CRDA joined the South Carolina delegation, led by the SC Department of Commerce, for the Farnborough International Air Show (suburb just outside of London) during the week of July 16, 2018. This signature event attracted 80,000+ trade visitors and 1,500 show exhibitors from 48 countries across the globe. 79 of the top 100 aerospace companies participated in the 2018 Airshow.

In addition to helping host the South Carolina exhibition space, CRDA participated in 18 company meetings, including four with active projects. CRDA supported this high-visibility event with a digital marketing campaign and direct outreach to media attending the show.

11. SC Automotive Council and American Industry Action Group's Supply Chain and Quality Conference – Sept. 6-7, 2018

The South Carolina Automotive Council (SCAS) is the state's leading organization dedicated to enhancing South Carolina's automotive manufacturing position. SCAS held its 2018 Supply Chain and

Quality Conference in Charleston and CRDA worked to support and sponsor the event. We also presented an overview of the region's workforce during the conference. The conference engaged automotive OEMs, suppliers, industry consultants, academia, key logistics providers, and service providers to discuss best practices and the latest trends and technology innovations.

12. Site Selectors Guild Fall Forum – Sept. 9-12, 2018

Founded in 2010 by a dozen internationally acclaimed site selectors, the Site Selectors Guild is a 44-member professional association of the world's leading corporate location advisory consultants to companies looking to build or expand. Guild members must be nominated and approved by their peers in the site selection industry.

Approximately half of the Guild's members attend the Fall Forum to provide a smaller, close-knit conference with more one-on-one access to site selectors. The event included knowledge sharing, discussion panels, breakout sessions and networking opportunities. South Carolina served as host state with the Fall Forum held in Greenville this year. CRDA joined with the SC Department of Commerce and other regional alliances to sponsor the event.

13. Industrial Asset Management Council (IAMC) Fall Professional Forum – Sept. 15-19, 2018

The Industrial Asset Management Council (IAMC) is the leading association of industrial asset management and corporate real estate executives, their suppliers and service providers, and economic developers. Members include senior real estate directors from 3M, Alcoa, BASF, PepsiCo, General Mills, Johnson & Johnson, Pfizer and many other large industrial firms. The CRDA's CEO is a member of this highly regarded association and attended the 2018 Fall Forum in Philadelphia, PA, which attracted 350 participants. This year's program, themed "The Manufacturing Renaissance," included presentations related to employee engagement, strategic planning, block chain technology and more.

14. SC Aerospace Conference – Oct. 9-10, 2018

The SC Aerospace Industry Conference and Expo connects industry, academia and government to showcase the rapidly growing aerospace cluster in South Carolina. The event is organized by the South Carolina Council on Competitiveness and its SC Aerospace initiative, the USC McNAIR Center for Aerospace Innovation and Research, the South Carolina Department of Commerce, the South Carolina Aeronautics Commission and the South Carolina Aviation Association. This year's conference was held in Columbia. CRDA sponsored the event and will include details in next year's annual report.

15. SCBIO 2018 – Oct. 23-25, 2018

SC BIO is a statewide, not-for-profit, public / private life sciences industry association and economic development organization formed to actively promote, build, support, expand, and convene South Carolina's life sciences industry. This year's annual conference was held in Charleston, bringing together hundreds of industry executives, leaders in government and higher education, biotechnology and pharma executives, and life sciences supporters from across America. CRDA is sponsoring the event and will include details in next year's annual report.

16. Global Media Outreach

Research consistently shows that C-level executives are influenced in their perceptions of a community by third-party articles in leading business and trade media. As such, CRDA is committed to a strong and consistent media relations program to position the Charleston region as a top location for successful business operations.

In July 2018, CRDA hosted a reporter from *Suddeutsche Zeitung* (Germany's *New York Times*) for a piece on how German companies, like Robert Bosch, have influenced Charleston's workforce development programs. During the visit, the reporter interviewed representatives with Bosch, Trident Technical College, Charleston International Manufacturing Center, the Charleston Metro Chamber and CRDA.

In early September, CRDA hosted a reporter representing MSNBC / NBC for a regional tour and company interviews following the Mercedes-Benz Vans grand opening event. In addition to MBV, the reporter interviewed executives with the Port of Charleston / SC State Ports Authority.

Both media visits resulted from story pitches developed by our national public relations firm, Development Counsellors International.

Media coverage during Q1 FY18-19 included:

- *Suddeutsche Zeitung* (Germany's *New York Times*) ran a lengthy article titled "America celebrates 'German Training.'" From the translated article: "... it is no coincidence that the US Department of Labor has now named ... Charleston – which is also the US base for companies such as Bosch, Daimler, BMW, IFA and Evonik – a national model region for the further development of apprenticeships." (9/30/18)
- *SportTechie*, the world's leading resource devoted to the intersection of sports and technology, ran an article detailing a new device made by Charleston-based Blinktbi that uses an athlete's blink reflex to search for impairments that might indicate brain trauma or possible concussion. Blinktbi co-founder, Ryan Fiorini, was interviewed. (8/27/18)
- MSNBC aired two segments including interviews and video footage from the reporter's visit to Charleston. In addition, NBC Nightly News incorporated interview footage with Jim Newsome, President & CEO of SC Ports Authority, for a story about potential impact of tariffs on international trade. (Sept. 2018)
- *Area Development* and *Business Expansion* both included news of Google's recent expansion in an article titled "Google investing \$600 million in its Berkeley County operations." The articles noted Google's total investment in Berkeley County will reach approximately \$2.4 billion.

17. Digital Marketing Campaigns

To support CRDA's global business development program, our marketing team employs an electronic "toolbox" for creating awareness and generating interest in our three-county region. Elements of this toolbox include:

- Programmed tweets aligned with industry events and outbound marketing missions
- Strategic posts on LinkedIn, Facebook and the CRDA blog
- Digital media campaigns focused on targeted geographies, significant industry events, the region’s high-impact industry clusters, and unique real estate offerings
- Custom landing pages aligned with key business development activities
- Quarterly email campaign to site selection consultants focused on new regional developments

Most of these efforts are focused on driving traffic to our regional economic development website and/or leveraging our messages through various social media outlets. International audiences have been a particular focus with 16% of our FY17-18 site traffic originating outside the U.S. We also continue to rapidly build our base of Twitter followers and increase the number and quality of website engagements via blog posts, Google AdWords, Facebook, LinkedIn and YouTube.

18. Visual Storytelling

CRDA invests in original photography and videography to support our region’s global business development and marketing efforts. Using FY17-18 state matching funds, we completed a video for the Life Sciences sector and refreshed our Aerospace and Tech Sector videos with new executive interviews and updated footage. We also completed a company testimonial video with Safran plus obtained additional footage to refresh our Market Overview video.

19. Digital Maps

CRDA maintains a library of digital maps for our website, project presentations, collateral, etc. These maps include governmental jurisdictions, transportation network, port terminals, direct flights, colleges/universities, etc. Over the past several months, we’ve revamped our digital map files to allow for quicker updates and for layering capabilities.

20. Sales Support / Promotional Items

To support business development activities aligned with the region’s One Region strategy, we regularly add to the CRDA’s “tool kit” of professionally designed sales materials and unique promotional items. Using FY17-18 matching funds, we have continued to invest in foreign translations aligned with target geographies plus add to our inventory of SC- and Charleston-related promotional items.

Key Focus Area 2

Regional Competitiveness / Business Intelligence

Estimated state appropriations: \$211,084.56
 State funds used as of 9/30/18: \$44,228.00

Includes:

- Regional Competitiveness Strategy
- Cluster Support Initiatives

- Competitive Research & Analysis
- Workforce and Talent Initiatives

The Charleston region is a top 100 metropolitan area, putting us in direct competition with communities across the United States and around the world. For the region to compete effectively, CRDA invests in research and analysis to guide and inform our efforts. We also serve as a regional resource, convener and collaborator in addressing competitiveness issues.

Following is an overview of related activities through September 30, 2018.

1. Talent Attraction and Retention Strategy

According to the U.S. Bureau of Labor, Charleston is the fastest growing mid-sized metro for information technology jobs. Recent studies show that jobs in this and other high-tech sectors have a significant multiplier effect. For each new high-tech job created, 4.3 additional jobs are created in service, business, health care and other occupational categories.

CRDA has partnered with local employers and regional stakeholders to develop and implement a multidimensional talent attraction campaign specifically focused on high-demand skills. Numerous collaborative partners are involved, including the region's largest IT-sector employers (Blackbaud, Benefitfocus, BoomTown, Snagajob, and Booz | Allen | Hamilton). More than a dozen of these partner companies also financially support the effort.

The campaign is branded "Charleston Open Source" to reflect the region's local culture of sharing ideas, inspirations and experiences. Campaign elements include promotional items, a website (www.charlestonopensource.com), social media, digital advertising, and print collateral. We also employ a Digital Ambassador program, built on the innovative social media engagement platform "SocialToaster." This platform allows people who are passionate about Charleston's thriving tech community to easily share related info and news with their social networks. This effort exponentially expands the reach of Charleston Open Source through the power of social media.

2. One Region: A Global Competitiveness Strategy

In May 2016, the Charleston Regional Development Alliance and Charleston Metro Chamber of Commerce completed a new five-year strategy designed to strengthen the region's competitiveness and leverage our current economic momentum. This global competitiveness strategy, called One Region, was guided by an 80-member Advisory Group representing a diverse range of public, private, nonprofit and academic leaders.

One Region calls on the region to take a more holistic, inclusive approach to being a globally competitive place where all people and businesses flourish. It offers guidance on economic, workforce and community development priorities over the next several years. Initiatives aligned with One Region include efforts to develop and strengthen our regional workforce pipeline, expand our region's infrastructure capacity, encourage and support new business formation, develop appropriate real estate opportunities, plus numerous other related efforts.

CRDA has aligned our work around One Region and is focused on expanding and strengthening the high-impact clusters identified in the strategy. These clusters offer a broad array of jobs across different skill sets and wage levels. We are also partnering with numerous other stakeholder organizations to broadly implement the strategy recommendations.

To date, we have used FY17-18 funds to:

- Support the One Region Activation Plan, which provides dedicated resources to convene entities involved with the strategy plus regularly provide updates and reports, including a monthly update email. Current focus areas are aligned with global fluency, housing affordability, workforce pipeline, and alternative transportation. Visit www.OneRegionStrategy.com for more information.
- Reengage the strategy consultants to conduct a “Year Two” progress review and make necessary adjustments to the One Region strategic plan for “Year Three” implementation.