

Mr. Chris Huffman  
Chief Financial Officer  
South Carolina Department of Commerce  
1201 Main Street, Suite 1600  
Columbia, SC 29201

October 31, 2020

Dear Chris,

I am pleased to provide you the South Carolina I-77 Alliance (Alliance) Annual Report for Proviso 50.13. As you know, the Alliance is a regional economic development group representing Chester, Fairfield, Lancaster, Richland, and York Counties. The Alliance has 33 board members and consists of 17 public sector officials, 15 private sector officials, and the President/CEO. Each of the counties have three public sector board members (a county council appointee, the county administrator, and the county economic development director). The Presidents of the two Technical Colleges (Midlands Tech and York Tech) make up the last two public sector board members. Each of the five counties have three private sector board members as well.

The executive committee of the board is made up of the Board Chair and Vice Chair, the County Developer from each of the five Member Counties, and four private sector board members. The inclusion of the County Developers on the Board and Executive Committee is a key element to the structure of the organization.

The Alliance is charged with marketing and branding the region and focuses on lead generation for the five-member counties. The activities of the Alliance are designed to maximize the exposure of the region to key site location decision makers and associated economic development allies.

The most important accomplishment for the Alliance to date though, is the continuation of our aggressive marketing efforts. Last fiscal year, the Alliance had 16 marketing trips that called on 99 companies and 114 site consultants. Most importantly, we generated 17 qualified leads (and 7 Department of Commerce leads) to our five member counties. These numbers were significantly impacted by the COVID-19 pandemic. However, our Board of Directors allowed us to quickly adapt and convert our efforts from face-to-face meeting to virtual meetings. We have adapted our entire operation to be responsive to the new reality in which we find ourselves. We remain committed to finding and delivering high quality leads to our five member counties.

We are excited to have built a strong base for success at the I-77 Alliance through the first five years of our existence, but we are focused on bringing even more value to the five counties we serve in 2021. The existence of the Alliance allows our counties to focus on what they do best: product development and project management to create new jobs and investment in those communities. We support them by marketing the region and delivering leads for the counties, so they have more opportunities to sell.

However, we also can bring additional resources to bear to help the Counties be more successful in their efforts.

### **Progress of Securing Matching Funds**

By the end of last fiscal year (FY 2019-2020), the Alliance successfully matched \$671,441 of the \$660,000 allotted to us. Moreover, the Alliance anticipates matching 100% of the \$660,000 allocated to us in the current fiscal year by Proviso 50.13.

### **Funds Expended**

Through September 30, the Alliance has expended restricted private sector donations in support of site/industry specific work and Proviso 50.13 funds on Alliance marketing projects and contract services. We have spent no Proviso money from FY 2018-2019 or FY 2019-2020 to date.

An itemized list of Proviso 50.13 funds is included below:

#### ***Proviso 50.13 Funds Received (As of 09-30-2020)***

<i>FY 2017-2018</i>	\$611,084.56
<i>FY 2018-2019</i>	\$669,290.71
<i>FY 2019-2020</i>	\$671,441.07
<b><i>TOTAL</i></b>	<b><i>\$1,951,816.34</i></b>

#### ***Proviso 50.13 Funds Expended for FY 2017-2018 (As of 9-30-2020)***

<i>Marketing Expenses</i>	\$58,848.07
<i>Advertising Expenses</i>	\$199,196.11
<i>Prospect Expenses</i>	\$18,558.27
<i>Lead Generation Expenses</i>	\$100,390.00
<i>Sponsorships</i>	\$10,000.00
<i>Data</i>	\$95,072.69
<b><i>TOTAL</i></b>	<b><i>\$482,065.14</i></b>

As evidenced by the expenditures included within this report, the Alliance is spending its portion of the proviso money on electronic and face-to-face marketing, development of a workforce development plan for our counties, lead generation, prospect, and advertising expenses. We continue to have under 50 percent of our budget dedicated to operational and salary expenses and over half of our budget is dedicated to lead generation, marketing, advertising, and other value added services for our five counties. Our investors expect us to invest in our mission to market and brand the region, instead of predominantly investing in operations and administration. The Alliance will continue working diligently on establishing itself as the premier economic development marketing organization in the state, and market the I-77 region as the ideal location for companies the world over.

Please do not hesitate to contact us if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rich Fletcher', written in a cursive style.

Rich Fletcher  
President & CEO