



Forward Greensboro III Campaign Results

2004-
2008

Report outlining the economic impacts of companies assisted by the Greensboro Economic Development Alliance. The summary includes details of benchmarks achieved during the Forward Greensboro III Campaign (2004-2008) as well as how new jobs and capital investments in 2008 have positively impacted the City of Greensboro and Guilford County.

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Progress Scorecard 2004-2008*

Metrics	5 YEAR GOALS	2004	2005	2006	2007	2008	% of Total	Total
New primary jobs	6,000+	2,063	688	1,245	753	1,558	105%	6,307
New secondary jobs	10,000+	4,035	423	1,590	1,169	2,479	97%	9,696
New Capital Investment	\$763 million	\$155.7 million	\$66.2 million	\$143.6 million	\$260.0 million	\$194.1 million	107%	\$ 819.7 million
New Payroll **	\$491 million	\$205.3 million	\$39.8 million	\$119.9 million	\$ 81.8 million	\$177.7 million	127%	\$ 624.5 million
Personal Consumption Expenditures	\$271 million	\$147.4 million	\$28.7 million	\$86.3 million	\$59.1 million	\$127.8 million	165%	\$ 449.3 million
Deposit potential for Local Banks	\$48 million	\$57 million	\$13.4 million	\$40.7 million	\$28.0 million	\$47.2 million	388%	\$186.3 million
Work with Local Companies	500 (100/year)	80	143	105	104	106	108%	538

* All figures rounded

** New Payroll includes direct, indirect and induced payroll

Background & Introduction

The Greensboro Economic Development Alliance (GEDA), a member of the Greensboro Partnership, enhances and stimulates economic growth in the City of Greensboro and Guilford County through business retention, expansion and attraction activities focused on five industry clusters: Aviation; Advanced Manufacturing & Materials; IT, Data Centers & Financial Services; Life Sciences; and Transportation & Logistics. Specifically, GEDA has focused these activities on performing and realizing high impact, high value economic development projects. These projects and activities have had a disproportionate overall level of activity as many of the jobs and capital investment created or retained are at much higher levels than regional averages (per capita personal income).

In order to paint an accurate picture, measurements of GEDA's activities have been ongoing since 2004, and have been tracked in concert with the Forward Greensboro III Capital Campaign. Moving forward, it is important to note how the organization has performed while at the same time conveying its value to its constituents and community as a whole. The purpose of this report is to provide an unbiased and objective view of the Alliance's impacts on the region and investor industry sectors.

While determining the Greensboro Economic Development Alliance's impacts, it is important to convey that economic impacts contained herein are based upon one of the most respected and widely used economic impact models throughout the United States, IMPLAN.

This report focuses on the key tenets of economic development programming and activities: **measurability, accountability, and return on investment**. The data herein attempts to determine and measure most accurately the true return of GEDA's work while NOT accounting for other economic activity in the region. The methodology and calculations utilized in the report are widely accepted throughout the economic development community in the United States.

This analysis focuses on key performance measurements and outcomes:

- The number of jobs created and retained.
- The earnings created and retained.
- The capital investment created and retained.
- The indirect economic effects attributable to GEDA's activities.
- Impacts on the local tax base.
- The ratio of impacts per dollar of GEDA investment for each of the above impact measures.

Executive Summary

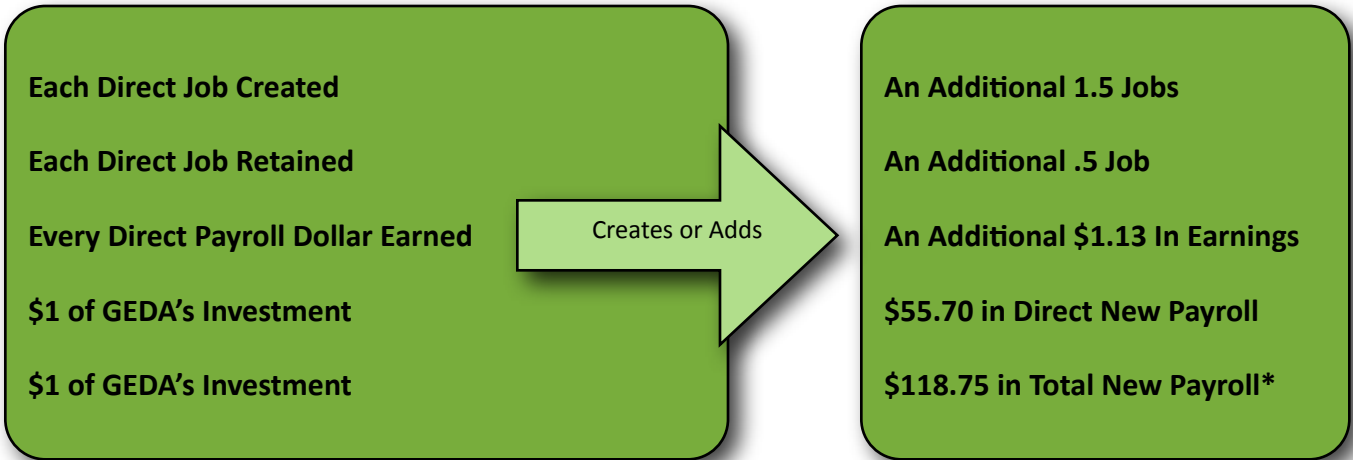
Overall, The Greensboro Economic Development Alliance has had a remarkable record of achievement during the past five years. Coinciding with the Forward Greensboro III Capital Campaign period, GEDA has had the following impacts on the City of Greensboro and Guilford County:

- ◆ *The Alliance played a key role in 67 projects, 48 attraction and expansion projects, 13 retention projects, and 6 site development projects which generated \$819.7 million in capital investment.*
- ◆ *GEDA's efforts helped create 6,307 new direct jobs and an additional 9,696 indirect & induced jobs within the City of Greensboro and Guilford County.*
- ◆ *The payroll impact of all jobs facilitated by GEDA (direct, indirect & induced) added an additional \$624.5 Million to the local economy.*
- ◆ *The total economic output associated with GEDA's activities is more than \$3.0 billion. This total impact is the result of the economic multiplier effect which stems from the companies' operations and capital expenditures.*
- ◆ *Between 2004-2008, GEDA's efforts helped retain 1,577 direct jobs and an additional 873 indirect and induced jobs.*

Economic Impact of the Greensboro Economic Development Alliance's job creation activities between 2004-2008:
18,453 Total Jobs* (includes ALL direct, indirect, induced AND retained jobs)
Total Payroll: \$624.5 Million
Total Output: \$3.0 Billion

Key Performance Metrics:

The following highlights the outcomes achieved during the Forward Greensboro III Campaign which took place between 2004-2008. The achievements derived from GEDA's activities during this time are successful and have produced significant economic benefit to the City of Greensboro, Guilford County, as well as investors and stakeholders:



** indicates direct, indirect & induced payroll*

Economic Impact Analysis:

The economic impact analysis from the Forward Greensboro III Capital Campaign quantifies the Greensboro Economic Development Alliance's activities and programs over the past 5 years. These impacts have significantly stimulated the economy and have yielded thousands of jobs and hundreds of millions of dollars in capital expenditures within the City of Greensboro and Guilford County. To that end, the following section highlights the total economic impacts as they relate to jobs, income, and output. The report will detail the direct, indirect, and induced impacts of companies assisted by GEDA between 2004-2008.

Economic Impact of Jobs Created

Every direct job and activity has an economic impact and creates a "ripple" effect. Direct jobs can be attracted to a region through recruiting new firms to the area, retained by keeping companies from leaving the area, as well as created by working with existing companies to expand their workforce. Typically, economic development organizations, such as GEDA, target direct jobs which create, retain or expand employment opportunities with those types of industries that create higher salaries than the regional average. Economic impact analysis assumes that higher wage jobs, with significant capital investment will have a much greater impact on the regional economy than "average" wage producing jobs.

The targeted direct jobs facilitated by GEDA will create indirect and induced jobs through additional businesses that support the direct job. The indirect jobs are typically supplier jobs (supporting the direct job) and induced jobs are typically consumer jobs (those retail and service occupations supporting the population as a whole).

Total Direct, Indirect & Induced Job Impact 2004-2008 Greensboro Economic Development Alliance	
Job Impact	Employment
Direct Jobs	6,307
Indirect & Induced Jobs	9,696
Total Job Impact	16,003
Total Job Multiplier	2.50*

* Job multiplier does NOT reflect direct, indirect, or induced retained jobs.

Payroll

Although most economic development organizations compile job creation statistics, it is also important to determine how people in the City of Greensboro and Guilford County benefit from the increase of their income. These payroll statistics are derived from the culmination of added increases of earnings from the indirect and induced jobs which are generated by direct jobs attracted to the region.

Total Payroll Impact 2004-2008 Greensboro Economic Development Alliance	
Payroll Impact	Payroll (\$)
Direct Payroll	\$292.9 Million
Indirect & Induced Payroll	\$331.6 Million
Total Payroll Impact	\$624.5 Million
Total Payroll Multiplier	2.13

Output

Total output is a broader measure which accounts for the total and overall value of the economic activity derived by the direct jobs.

Total Output Impact 2004-2008 Greensboro Economic Development Alliance	
Output Impact	Output (\$)
Direct Output	\$1.8 Billion
Indirect & Induced Output	\$1.2 Billion
Total Output Impact	\$3.0 Billion
Total Economic Multiplier	1.67

Impacts of Jobs Retained

The Greensboro Economic Development Alliance's retention activities resulted in keeping 1,577 jobs and \$118.7 million in earnings between 2004-2008. As a common measure, GEDA is only measuring jobs it helped to keep in the region due to its work with existing companies. It is a common assumption and standard practice to count these jobs since without the efforts of GEDA, these jobs could have been lost.

Total Retained Job Impact 2004-2008 Greensboro Economic Development Alliance	
Jobs Impact	Employment
Direct Jobs	1,577
Indirect & Induced Jobs	873
Total Job Impact	2,450
Total Job Multiplier	0.55

Total Retained Payroll Impact 2004-2008 Greensboro Economic Development Alliance	
Payroll Impact	Payroll (\$)
Direct Payroll	\$65.6 Million
Indirect & Induced Payroll	\$53.1 Million
Total Payroll Impact	\$118.7 Million
Total Payroll Multiplier	1.80

Capital Investment

One of the major derivatives from economic development activities is capital investment made by new, expanding, and retained companies and projects. Typically, companies that make significant capital investments in communities are less likely to move and are, in reality, much less mobile than those who lease space and utilize portable fixtures, machinery, and personal property. Capital investment plays a critical role in not only generating employment and income, but also drives increased tax revenues and collections for local governments, schools, etc. Firms and projects that invest significant capital in communities are often the most cherished economic development targets.

The Greensboro Economic Development Alliance’s activities helped generate approximately \$819.7 million in capital investment between 2004-2008. As new companies purchased materials, supplies, and services from local businesses, these firms had a significant “ripple” effect which was multiplied throughout the area economy.

Total Impact Generated by Cumulative Capital Investment 2004-2008 Greensboro Economic Development Alliance
18,453 Total Jobs (includes ALL direct, indirect, induced AND retained jobs)
Capital Investment Per Job \$44,420
Total Capital Investment: \$819.7 Million

Capital investment made by these companies and projects generate significant property taxes for governments, school districts, etc. Since some of these projects were the recipient of various incentives, these cannot be measured at this time. Additionally, sales tax and consumer expenditures derived from these investments as well as the direct, indirect and induced jobs continuously drive increased revenues beyond the property tax component.

Year	Projects	Capital Investment Created*
2004	15	\$155.7 million
2005	15	\$66.2 million
2006	18	\$143.7 million
2007	11	\$260.0 million
2008	8	\$194.1 million
Total	67	\$819.7 million

* rounded for calculations

Project Highlights 2004-2008: Tables

Projects Assisted By Year

The following table shows how many companies were assisted and influenced in a relocation/expansion decision by the Greensboro Economic Development Alliance between 2004-2008.

Year	Companies Assisted
2004	15
2005	15
2006	18
2007	11
2008	8
TOTAL	67

Cumulative Impacts and Highlights 2004-2008

The following top-level summary exemplifies that the Greensboro Economic Development Alliance has had a major role in positively impacting the region over the past 5 years* (rounded).

Description	Outcome / Impact
New Primary Jobs	6,307
Retained Jobs	1,577
New Secondary Jobs	9,696
New Capital Investment	\$819.7 Million
New Payroll	\$624.5 Million
Personal Consumption Expenditures	\$449.3 Million
Deposit Potential for Local Banks	\$186.3 million
Work With Local Companies	538

Per Capita Income Summary 2004-2008

The following illustrates that GEDA has achieved high impact results pertaining to the salary levels of jobs it has successfully facilitated in attracting to and/or retaining in the City of Greensboro and Guilford County:

Geographic Region	Per Capita Income	Per Capita Direct Jobs Only	Per Capita Direct, Indirect, & Induced Jobs
United States	* \$31,632		
North Carolina	* \$28,235		
Guilford County	** \$27,869		
Greensboro	** \$27,968		
New Payroll Per Job Achieved 2004-2008		\$46,440	\$39,023

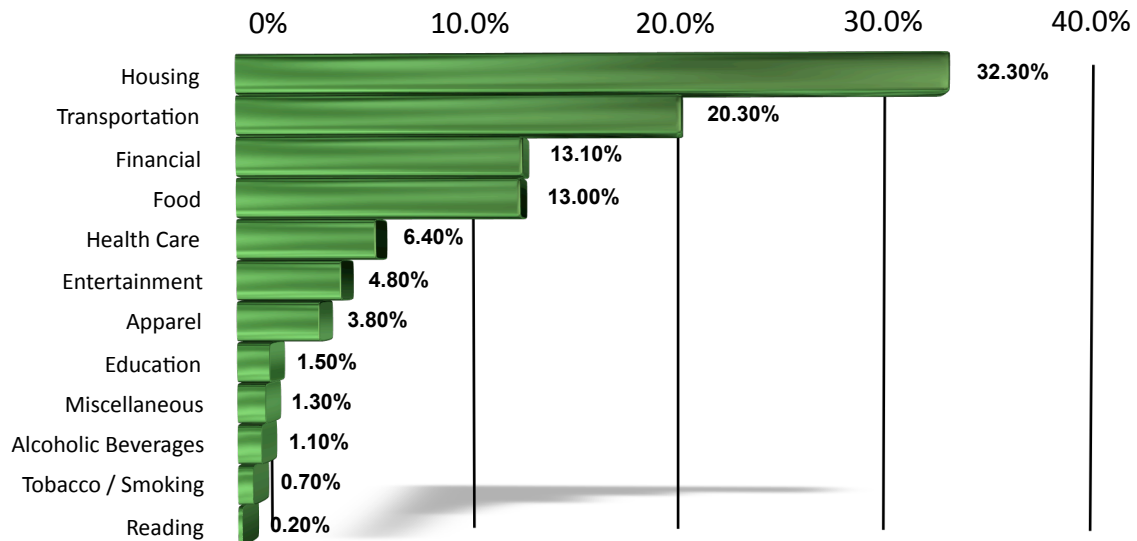
Source: * Demographics now 1/09, **U.S. Bureau of Economic Analysis 2008

Earnings Impact: (Personal Consumption Expenditures)

As a result of the accumulated impacts derived from direct, indirect, and induced jobs, as well as capital investments, a measure of how these collective earnings impact various sectors of spending is important. \$449.3 Million in personal consumption expenditures were derived through GEDA's activities in the 2004-2008 timeframe.

Category	Estimated Amount		Category	Estimated Amount	
Housing	\$145.3 Million	32.3%	Education	\$6.7 Million	1.5%
Transportation	\$91.3 Million	20.3%	Miscellaneous	\$5.9 Million	1.3%
Financial	\$59.0 Million	13.1%	Personal Care Products	\$5.9 Million	1.3%
Food	\$58.4 Million	13.0%	Alcoholic Beverages	\$5.0 Million	1.1%
Health Care	\$28.9 Million	6.4%	Tobacco / Smoking	\$3.2 Million	0.7%
Entertainment	\$21.5 Million	4.8%	Reading	\$1.0 Million	0.2%
Apparel	\$17.2 Million	3.8%	Total	\$449.3 Million	100%

■ Distribution of Consumer Expenditures



Return on Investment (ROI) Scorecard

The following scorecard shows the Return on Investment (ROI) derived by the cumulative impact of the Greensboro Economic Development Alliance's activities from 2004-2008. The scorecard helps investors and stakeholders understand how GEDA has performed and how their dollars have helped further the economy of Guilford County and City of Greensboro. The ROI scorecard measures Jobs, Earnings and Capital Investment

The results are impressive. Detailed results are shown below:

Measure	Alliance Impacts (\$)*	National Average (\$)
Cost Per Direct Job	\$833	\$1,600
Cost Per Total New Job (Direct, Indirect & Induced Jobs)	\$328	\$730
Payroll Injected Per Direct New Job	\$46,440	
Payroll Injected Per Total New Job (Direct, Indirect & Induced Jobs)	\$39,023	
Capital Investment Per Total New Job (Direct, Indirect & Induced Jobs)	\$44,420	
Direct Payroll Injected Per GEDA's Dollar Spent	\$56	
Total Payroll Injected Per GEDA's Dollar Spent	\$119	
Capital Investment Created Per GEDA's Dollar Spent	\$156	
Greensboro Economic Development Alliance Attraction, Retention, and Expansion Expenditures (2004 - 2008)	\$5,258,838	

* Numbers rounded

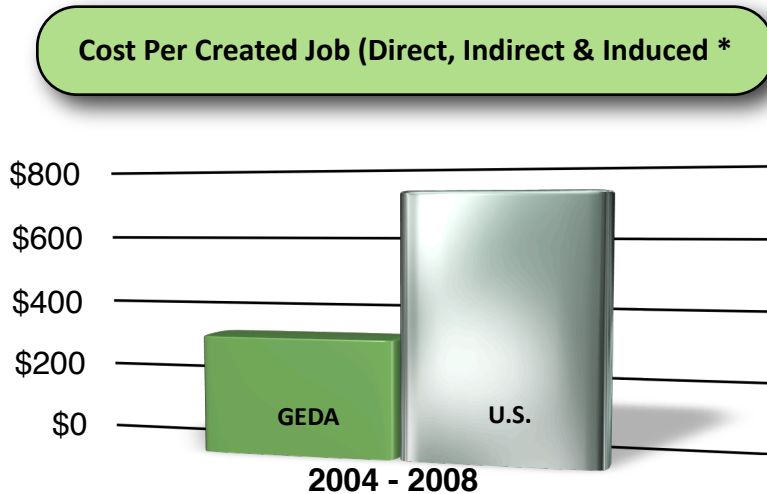
NOTES:

All cost-related information is based on organizational budgets only. Outside agency costs such as incentives are not included.

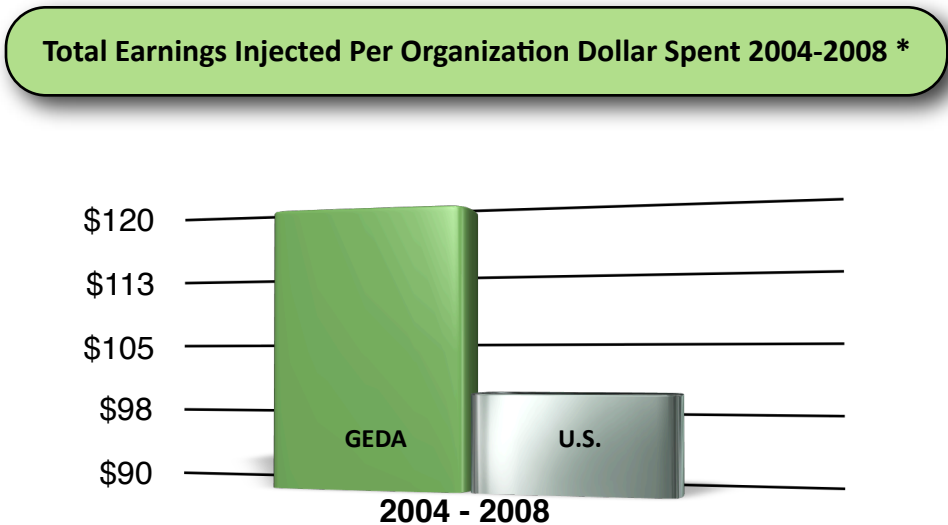
Return on Investment (ROI) Benchmarking

The ROI Benchmarking is a comparative analysis that quantifies the *cost effectiveness* of GEDA's economic development programs and "benchmarks" them with national averages for similar activities.

The Greensboro Economic Development Alliance's business attraction, expansion and retention efforts generated a significant return on investment. The chart below shows how GEDA's cost per total job (direct, indirect, and induced) compares with the national average. **Hence, GEDA is proving to be a good steward of its resources.**



Additionally, the Greensboro Economic Development Alliance was successful in generating earnings at a higher rate than the national average. The chart below shows that for each dollar spent by GEDA, it generated an additional \$119 in total earnings for the City of Greensboro and Guilford County. This rate was well above the national average of \$100.



* Source: Resource Development Group Data

Appendix A:

Methodology & Definitions

In the economic development arena, an economic impact analysis measures the organization's total economic effect on the region. The analysis is based on the application of IMPLAN input-output model which is highly respected and the most widely utilized economic impact model throughout the United States. The IMPLAN model calculates quantifiable impacts based on the connections between job creation, job retention and capital investment in the region. The results derived by the IMPLAN model is an output which is calculated for each specific region (in this case the City of Greensboro and Guilford County).

The economic impact of the job creation and retention activities contained throughout this report was calculated for GEDA based on the IMPLAN model. The model is used to estimate the economic impact of economic changes within a given area. The input-output accounts show how industries interact and specifically how they provide input to, and use output from, each other to produce gross domestic product.

The model captures the recycling of local dollars and income - **the "multiplier effect"**—which reflects how much *indirect and induced* employment, payroll, and output (business activity) will result after the initial spending or investment has occurred. Leakage of dollars and income out of the county, via taxes or non-local spending, reduces the size of the multiplier effect and reduces the potential size of the local economy. The model captures:

Direct impacts- the numbers resulting directly from the jobs created and retained with the assistance of the Greensboro Economic Development Alliance.

Indirect impact- the changes in employment, income, and output (business sales) in various industry sectors of the local economy that supply goods and services to the companies that have expanded.

The **induced impact** - the increased sales from household spending of the income earned on various supporting industry sectors of the local economy.

Notes

LIMITATIONS

The results of the ROI Benchmark Analysis must be interpreted within the limitations of the study itself. These limitations include:

- 1) Self reported data. All of the companies used in the study were supplied by Greensboro Economic Development Alliance. Companies are included based on the condition that GEDA had significant, but not necessarily exclusive, influence on their decision to locate or expand in the region.
- 2) All benefits accrue to the local economy. The economic development practitioner realizes that the benefits of job creation rarely accrue solely to the immediate area. The methodology used in this study assumes that the benefits will accrue within the City of Greensboro and Guilford County.
- 3) No costs except organizational expenditures. The report only utilizes GEDA's economic development expenditures, and it must be realized that other costs actually exist in the recruitment/expansion/retention process. These include costs such as tax abatements and incentives.

APPENDIX B:

About Resource Development Group

As one of the country's leading economic development funding and strategic planning consultants, Resource Development Group brings a talented team, proven process and a host of valuable resources to help strengthen organizations and fund their visions.

Established in 1995, Resource Development Group (RDG) has worked with a wide variety of clients including Chambers of Commerce, Economic Development Corporations, Community Improvement Corporations and Regional Partnerships in communities of all sizes throughout the United States. With more than a century of collective experience, RDG partners provide customized fund-raising and capital development, strategic planning, as well as economic and demographic research solutions. We provide these solutions for a diversity of purposes including buildings, operations, marketing, incentive funds, workforce development, business incubator, special projects which all support economic development programs. We have managed more than 100 economic/community development funding projects and have raised in excess of \$500 million.

New civics demands a more comprehensive approach to growth. Building platforms of change requires Vision, Foresight, Perseverance and Funding. Resource Development Group specializes in building the architecture for solving growth challenges.

As one of the country's leading economic development funding consultants, we bring a talented team, proven process and a host of valuable resources to help strengthen organizations and fund their visions.



Appendix C:

Companies & Projects 2004-2008		
Amcan Fibers	American Judicature Society	Ashland Environmental & Process Solutions
BankNote/Sennett	Batanga	Berco
Bonset	Box-Board Products	Bright Plastics
Bull Ridge Business Park *	Canplast	Carolina Graphic Services
Carolina Precision Plastics	Carson-Dellosa	Cessna
Citi Cards	Comair	Comair Crew Base
Daimler Chrysler Commercial Buses	Deluxe Financial Services (2004)	Deluxe Financial Services (2007)
DSC Logistics	Enterprise Park - Enterprise II *	Enterprise Park III *
FedEx Freight	FedEx Ground	First Choice Packaging
FNB Financial Services	High Performance Coatings	Honda Aircraft Company
HondaJet	HT Staffing	International Textile Grp.
Kay Chemical	Lees Carpets	Legacy Paddlesports
Lenovo	Lowe's	Mack Trucks Inc.
Market America	Marsh Metal Plating	Mayer Textile
McConnell Center - McConnell One *	Menlo/Diebold	Metaldyne
Mylan Pharmaceuticals	Neuhofer Holz	O'Reilly Auto Parts
Pactiv	PODS	Precor
Procter & Gamble (2005)	Procter & Gamble (2007)	Purolator Facet
RFMD (2004)	RFMD (2006)	RFMD (2007)
Rock Creek Center	Skybus	South Atlantic Co - Rock Creek Center
Stockhausen	Timco	TriQuint
Tyco Electronics	USPS	Volvo Truck
ZINK Imaging		

* Speculative building construction