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

October 29, 2014

Dear Chris,

I am pleased to provide you the South Carolina I-77 Alliance (Alliance) Annual Report for Proviso 50.13. The Alliance has had a very busy 2014 and is preparing for an even busier 2015. As you know, the Alliance is a regional economic development group representing Chester, Fairfield, Richland, and York Counties. The Alliance currently has 30 board members and will be adding three additional members by the end of the year. The Board will consist of 20 public sector officials, 12 private sector officials, and the President/CEO. Richland and York Counties have five public sector appointees, while Chester and Fairfield Counties have four public sector appointees. The Presidents of the two Technical Colleges (Midlands Tech and York Tech) make up the last two public sector board members. Each of the four 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 Chair of the Funding and Finance Committee, the County Developer from each of the Four Member Counties, the President of the Alliance, and two 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 will focus on lead generation for the four member counties. The activities of the Alliance will be developed to maximize the exposure of the region to key site location decision makers and associated economic development allies.

The most important accomplishment to date for the Alliance is filling the President/CEO position. The position was filled on September 22, 2014. Prior to that date, all activities of the Alliance had been accomplished by various members of the Board and the work of consultant Mark Simmons. Now, the day-to-day work of the Alliance is attended to by a full time staff member.

Another important accomplishment for the Alliance is the completion of the logo and tagline, which can be seen on this letterhead. The logo will be a focal point for the organization’s communication and branding; appearing on letterhead, business cards, website, marketing material, and social media.
Additionally, an office has been created at the Gateway Conference Center in Richburg, South Carolina. The Gateway Conference Center is a state of the art conference and office facility in Chester County with prominent frontage along I-77.

The Alliance is currently undertaking three key initiatives that will help jump start the organization’s marketing and branding initiatives: 1) Strategic Planning, 2) Website Development, and 3) Fundraising. Each one of the three will be discussed below.

Creative Economic Development Consulting, a leading consulting firm, has been contracted by the Alliance to create a Strategic Plan for the Alliance. The consultants will work with stakeholders across the four counties to build a strategic plan, target markets, and a program of work for the Alliance. An additional benefit to the member counties is that Creative Economic Development Consulting will also do new strategic plans (or updates) for each of the four counties at a subsidized rate. It is estimated that the four counties will save approximately $81,000 combined by partnering with the Alliance on the strategic planning process.

Another key initiative of the Alliance is the development and launch of a website for the organization. In this day and age, a website is critical for any business. The four counties and the Alliance are working together to build a tool that can be used to market the region and also deliver critical information to our prospects, consultants, and allies. The Alliance has engaged Liaison Design Group to develop and design the website.

Finally, the Alliance has hired Convergent Non-Profit Solutions to launch a private sector fundraising campaign. The campaign will launch publicly in December, but Convergent has been working hard to secure commitments from several important private sector stakeholders before the campaign officially begins. Convergent has an impressive track record of non-profit fundraising, and the Alliance is excited about the potential for private sector support in the four county region.

All the work the Alliance has done up to this point, and the reason for the three initiatives discussed above, is to prepare the Alliance to aggressively market and promote the region starting in January of 2015. The four counties and the Alliance have begun to create an aggressive marketing schedule for next year. So far, we have identified 15 opportunities for the Alliance and plan to increase that as appropriate. We also anticipate aggressive lead generation to begin in tandem with the marketing opportunities already identified. The strategy is to market the region to site location consultants and directly to domestic and international companies that have an identified need for expansion into the Southeastern U.S. The bulk of Proviso funding will be used to market the region at the identified opportunities and to assist with the lead generation.

The Alliance is very excited about the progress it has made in 2014 to position itself to market the attributes of the region to the world starting in 2015. The Alliance has a very strong, dynamic, and growing region to market with exceptional infrastructure and two major metropolitan areas as its bookends. We feel that 2015 will be a great kickoff to the marketing activities for the I-77 Alliance and know that the future of the region is very bright.
Progress of Securing Matching Funds

By the end of last fiscal year (FY 2013-2014), the Alliance successfully matched $478,500 of the $575,000 allotted by Proviso 50.17. Moreover, the Alliance anticipates matching 100% of the $675,000 allocated to them in the current fiscal year by Proviso 50.13.

Funds Expended

Through October 28, the Alliance has expended restricted private sector donations in support of site/industry specific work and Proviso 50.17 funds on Alliance marketing projects and contract services.

An itemized list of Proviso 50.17 funds expended is included in the table below:

**Expenses Pursuant to State Proviso 50.17 Matched Funds & Private Funds**

<table>
<thead>
<tr>
<th>Private Funds Expended</th>
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<tbody>
<tr>
<td>Site development work for Jones Hamilton)</td>
<td>($125,000)</td>
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<tr>
<td><strong>Total Private Funds Expended</strong></td>
<td>($125,000)</td>
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<tr>
<th>State Proviso 50.17 Matched Funds Expended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising expenses</td>
<td>($125,040.64)</td>
</tr>
<tr>
<td>Marketing expenses</td>
<td>($6,315)</td>
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<tr>
<td>Trade show expenses</td>
<td>($5,107.94)</td>
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<tr>
<td><strong>Total Public Matched Funds Expended</strong></td>
<td>($136,463.58)</td>
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| **Total Proviso 50.17 Funds & Restricted Grants Expended**  | ($261,463.58) |

As evidenced by the expenditures included within this report, the Alliance is spending the majority of its resources on start-up projects, marketing the region to prospective companies, and site/industry specific work associated with economic development. 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,

[Signature]

Rich Fletcher
President & CEO