



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

October 31, 2019

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 31 marketing trips that called on 171 companies and 184 site consultants. Most importantly, we generated 19 qualified leads (and 14 Department of Commerce leads) to our five member counties. The Alliance has done this in partnership with our counties, the South Carolina Department of Commerce, and our private sector partners. When our Alliance was formed in October 2013, it was designed to create better partnerships and sense of regionalism along the I-77 corridor. We are proud to report that our activities and successes to-date have been a result of the partnerships we create daily.

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 2020. 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 2018-2019), the Alliance successfully matched \$669,290.71 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 to date.

An itemized list of Proviso 50.13 funds is included below:

Proviso 50.13 Funds Received (As of 09-30-2019)

| | |
|---------------------|-----------------------|
| <i>FY 2016-2017</i> | \$660,000.00 |
| <i>FY 2017-2018</i> | \$611,084.56 |
| <i>FY 2018-2019</i> | \$669,290.71 |
| <i>TOTAL</i> | \$1,940,375.27 |

Proviso 50.13 Funds Expended for FY 2016-2017 (As of 9-30-2019)

| | |
|---------------------------------------|---------------------|
| <i>Marketing Expenses</i> | \$130,086.76 |
| <i>Advertising Expenses</i> | \$270,592.31 |
| <i>Prospect Expenses</i> | \$12,432.95 |
| <i>Lead Generation Expenses</i> | \$105,256.52 |
| <i>Workforce Development Expenses</i> | \$45,169.59 |
| <i>Sponsorships</i> | \$23,268.50 |
| <i>Data</i> | \$73,193.37 |
| <i>TOTAL</i> | \$660,000.00 |

Proviso 50.13 Funds Expended for FY 2017-2018 (As of 9-30-2019)

| | |
|---------------------------------|--------------------|
| <i>Marketing Expenses</i> | \$0 |
| <i>Advertising Expenses</i> | \$0 |
| <i>Prospect Expenses</i> | \$12,522.51 |
| <i>Lead Generation Expenses</i> | \$12,800.00 |
| <i>Sponsorships</i> | \$5,000.00 |
| <i>Data</i> | \$2,599.24 |
| <i>TOTAL</i> | \$32,921.75 |

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".

Rich Fletcher
President & CEO