



2013-2014 Annual Report

ECONOMIC DEVELOPMENT CITY OF RALEIGH

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It's much easier to bootstrap a tech startup here in Raleigh than in other big city markets."

– **Jesse Lipson**, Citrix/ShareFile



City of Raleigh
Office of Economic Development

there is a Raleigh for **everyone**

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Overview

Raleigh is outpacing nearly every city in America, and for good reason. Just glance at the national rankings and you'll find Raleigh amongst the leaders in many categories including technology and research, education and talent base, new development and corporate expansion, cost of living, business climate, and economic outlook. Forbes, Money, USA Today and the Wall Street Journal have taken notice, as have thousands of people from other cities and countries that now call Raleigh home. Raleigh has some of the brightest, most creative and passionate people in the world. A surging Southern metropolis with a brilliant future, Raleigh is poised for long-term prosperity.

Raleigh placed second on a national list of best cities to start a business

– The National Federation of Independent Businesses,
February 2013

#1 Among fastest growing cities in the U.S.

– (Raleigh-Cary) Forbes, March 2013

Raleigh, America's most "family friendly city" among the nation's 50 most populous metropolises

– The Human Life Project, January 2013

#Raleigh4u

Development + Investment

From the historic buildings in the Warehouse District – and the corporate headquarters rising next door – to luxury condominiums populating Glenwood South, Raleigh is building, revitalizing, and transforming everywhere you turn. Old spaces have found new life and new development is happening throughout the city. Changes in the urban environment are reflective of the desires of young professionals who want to enjoy a walkable, smart community.

Pulsing with next-generation design and technology, they serve a growing appetite for commercial and residential environments, retail, hospitality and entertainment – and a new urban demographic driving demand.

dwelling units building permits

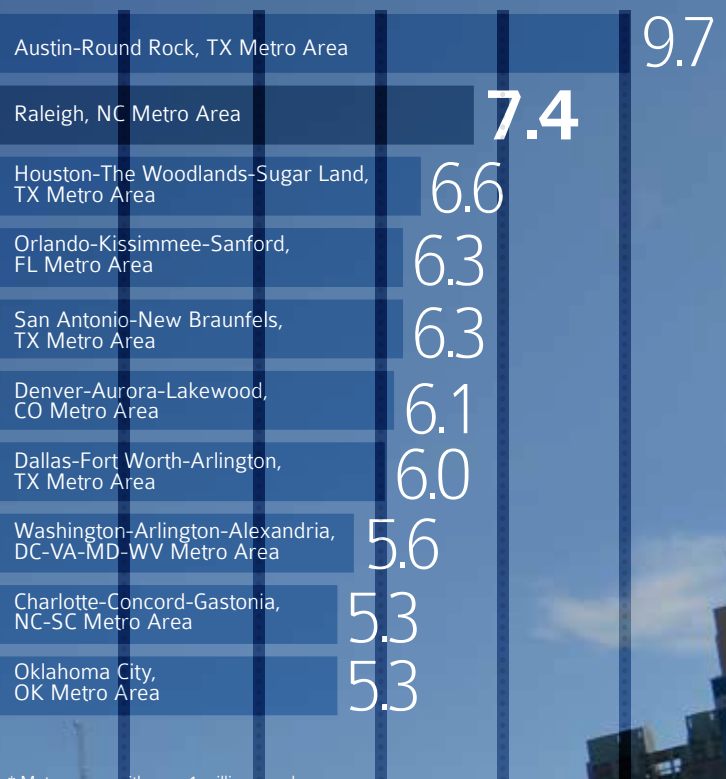


- apartment units 55%
- single-family units 24%
- townhouse units 19%
- condominium units 2%

Source: City of Raleigh Inspections Department

10 fastest-growing metro areas *

from April 1, 2010 to July 1, 2013



* Metro areas with over 1 million people

Source: U.S. Census Bureau, Population Estimates Program

Relocation Story Results in Downtown Investment

Few examples illustrate the dynamic growth and opportunity in Raleigh like that of ShareFile and Citrix. In October of 2011, Citrix Systems, a major leader in cloud computing and mobile work solutions, acquired Raleigh-based ShareFile, a rapidly growing software services company specializing in secure, customized data transfer. Founded by Duke University graduate Jesse Lipson as a two-person startup operating out of Lipson's Raleigh apartment, ShareFile has grown to become a 200 person division of one of the leading technology companies in the world.

After Citrix purchased ShareFile, Jesse Lipson convinced Citrix executives that Raleigh was the ideal place to set up their corporate headquarters due in part to the talent pool coming out of local universities. Citrix announced in 2012 it would relocate its North Carolina headquarters to the vacant Dillon Supply industrial facility in Raleigh's warehouse district. The cavernous brick structure is being converted into an ultra-modern 130,000 square-foot office headquarters, retaining the classic urban style of the historic neighborhood while being outfitted with the latest technology. Designed to inspire employee creativity, innovation and healthy workstyles, the building will include a rooftop garden, yoga studio and indoor/outdoor dining. Opening in 2014, the facility will become the new development center for the Citrix ShareFile product group, which is expected to double in size to more than 500 employees within five years.

The development is the largest corporate presence in the warehouse district, and is generating new interest from retailers, restaurateurs and service providers in the neighborhood, already one of Raleigh's most popular arts and entertain-



Raleigh has a healthy mix of people who have been here for a generation or more and transplants who are new, so it's grounded enough to feel stable but not so stable that it's stagnant. Raleigh has a really good balance."

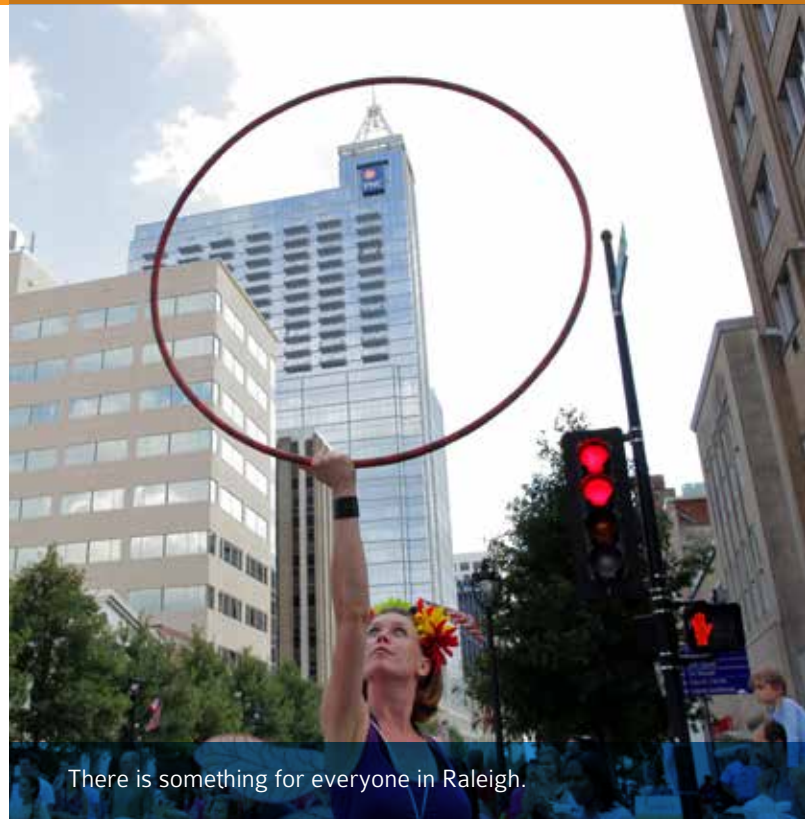
– **Jesse Lipson**, Citrix/ShareFile



ment destinations. The combination of IT innovation, entrepreneurship, startup success, urban in-migration, real estate development and investment makes the Citrix ShareFile story a picture of Raleigh suitable for framing.

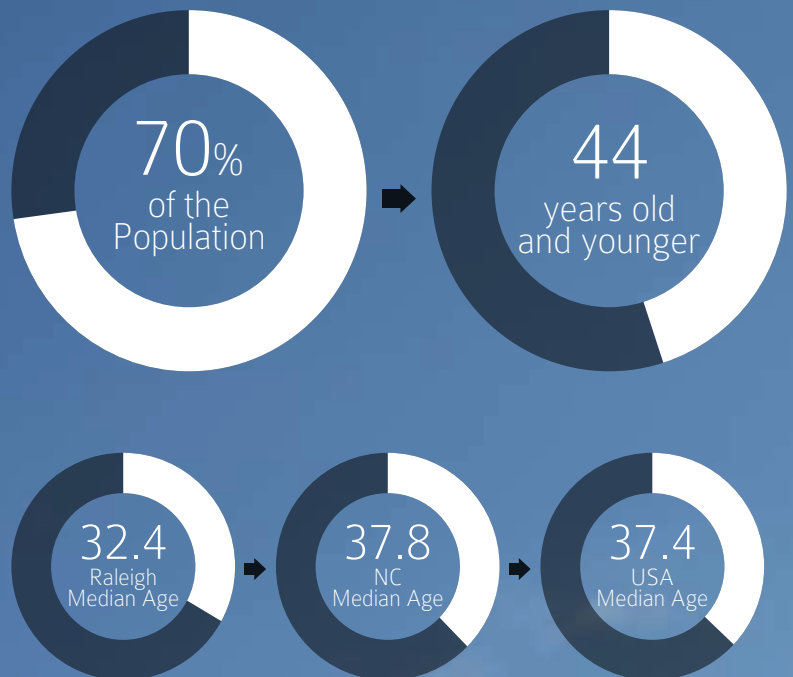
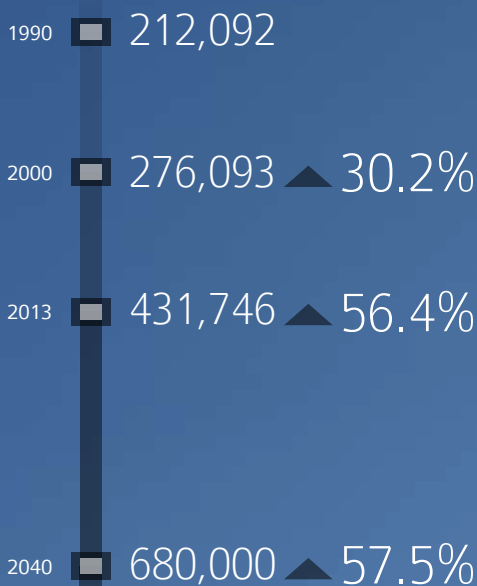
Our People

Raleigh attracts a diverse cross section of talent and leadership. Anchored by the business of government, home to a robust corporate community, powered by technology and innovation and fueled by internationally renowned colleges and universities, this is a city of energy, intelligence and creative vision. As our rapidly growing population shows, young families, professionals, urbanites and retirees alike recognize the opportunities in Raleigh's future. And that's what makes our city so exciting today.



There is something for everyone in Raleigh.

population

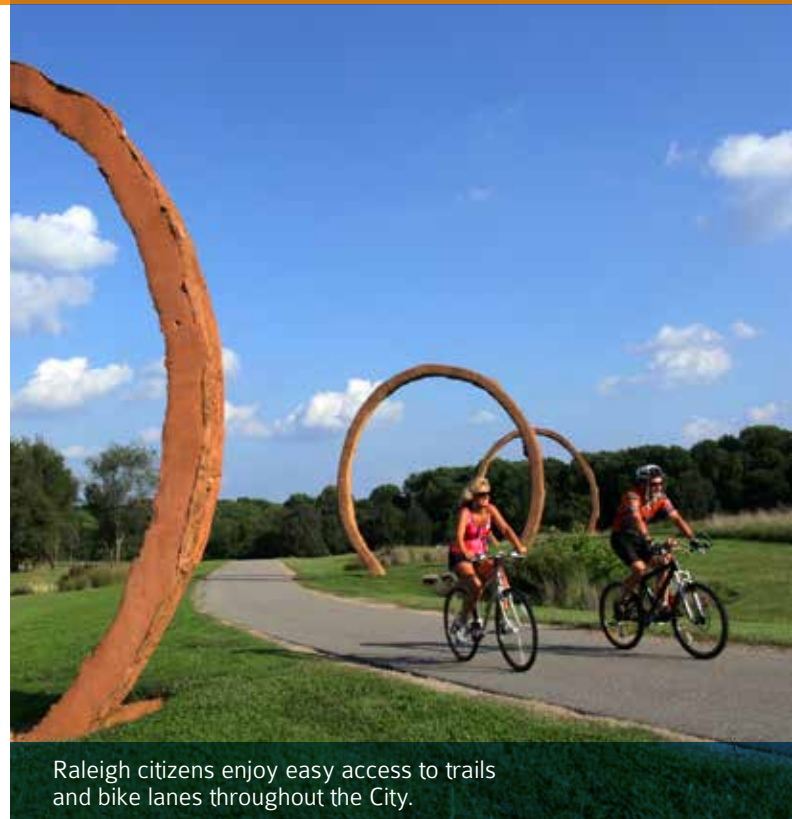


Source: 2012 American Community Survey (1 Year Estimates) and Capital Area Metropolitan Planning Organization (CAMPO)

Quality of Life

Raleigh continues to define what the quality in “quality of life” truly represents. Take a city of striking beauty – one with a reputation for exceptional parks, greenways and outdoor recreation – and add the pleasures of a nationally known music, art and literary community. Throw in top-ranked professional and college sports, nightlife, four beautiful seasons and spectacular travel options all within easy reach – and there we are.

Safe, affordable, convenient to explore, and home to a growing roster of individual achievers making their own headlines, it is easy to see why Raleigh’s unique brand of living is so alluring.



Raleigh citizens enjoy easy access to trails and bike lanes throughout the City.

Climate

Raleigh has a mild, temperate climate that hits the sweet spot between north and south. Our four distinct seasons lean comfortably toward the south, with winter arriving late and leaving early by northern standards. Spring brings an explosion of flowering dogwoods and azaleas, summer lingers well into October and autumn brings a nostalgic tide of color. Favorable weather, combined with seasonal variety here in our Piedmont setting, makes Raleigh ideal for year-round outdoor activity. There’s also comfort in knowing that North Carolina’s mountains and beaches are only a few short hours away.

Tax Base

Raleigh’s property tax rate remains one of the lowest in the county, and it has only been raised once since 2008. Thanks to the city’s steadily growing population, tax revenues continue to grow. A growing tax base, achieved with consistently low rates, has enabled Raleigh to fund outstanding municipal services and infrastructure, while managing to sustain ideal conditions for a thriving local economy.

Schools

Public schools in Raleigh are part of the Wake County Public School System, one of the top performing large systems in the nation. Within Raleigh, there are 52 elementary schools (Grades K-5), 16 middle schools (Grades 6-8) and nine high schools (grades 9-12). Wake County public schools offer both a traditional and year-round calendar, as well as magnet programs that offer additional innovative approaches to learning.

Private schools in Raleigh alone number more than 30, so parents that don’t want to go the public education route have a variety of excellent options including some of the country’s top-ranked schools. Ranging in size from 12 to 1,200, the field of private school alternatives gives parents every opportunity to find the school that meets their expectations.

Charter schools are public schools that are not affiliated with the local public school system, but are accredited and supervised by the State of North Carolina. Charter schools are designed to be flexible and encourage innovation in education, and represent an alternative for parents and students. There are currently nine charter schools operating in Raleigh.



Raleigh is home of the N.C. State Wolfpack Football Team, amongst others

Museums and Galleries

Raleigh has earned the reputation for being a cultural hub for the visual arts and world-class museums, offering more than 40 free attractions. The North Carolina Museum of Art features long-running installations such as the recent Porsche automobile design exhibit, as well as its permanent collections, including an extensive array of Rodin sculptures. The Contemporary Art Museum, located in the Warehouse District, features exciting new works by local, national and international talents, frequently providing a backdrop for special events and celebrations. Artspace, a non-profit visual art center, provides a public studio environment for more than 30 professional artists while also presenting nationally acclaimed exhibitions. The Visual Art Exchange, another non-profit creativity incubator and gallery, showcases the work of more than 1,300 artists in 60 annual exhibitions and also produces SPARKcon, an annual art and design festival in downtown Raleigh. At the North Carolina Museum of Natural Sciences, the newly completed Nature Research Center is drawing rave reviews as an educational and entertaining experience for families and visitors alike. And Marbles Kids Museum, a hands-on interactive experience for children, uses purposeful play to inspire imagination, discovery and learning.

Sports

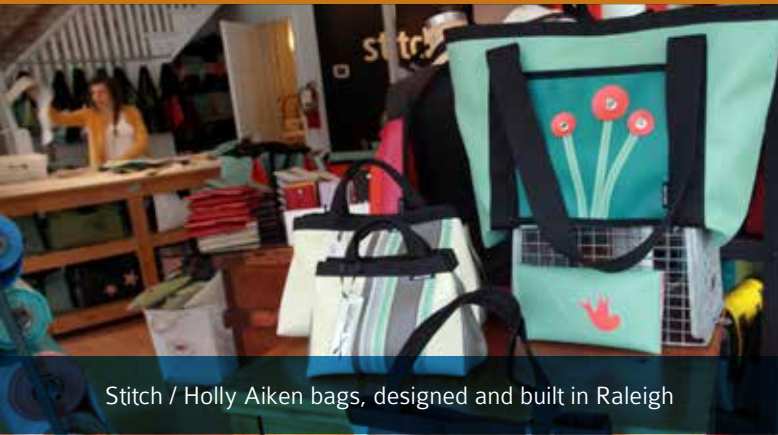
With three of the nation's top NCAA Division 1 universities in close proximity, college athletics and fierce rivalries dominate the sports landscape in Raleigh. Football tailgating gives way to intense battles on the basketball hardwood, where N.C. State and neighboring rivals Duke and UNC-Chapel Hill have each won multiple national titles. Raleigh is also home of the Stanley Cup-winning Carolina Hurricanes, which boasts one of the league's loudest and most raucous crowds at PNC Arena. On the soccer pitch, the Carolina Railhawks professional franchise brings fast-paced excitement to a steadily growing fan base. Soccer is everywhere in Raleigh, with 20,000 players competing on more than 700 teams in the Capital Area Soccer League, making CASL one of the largest clubs in the nation. Just down the road, two minor league baseball teams, the Carolina Mudcats and Durham Bulls, provide All-American family entertainment all summer long. Raleighites can also be found playing golf, tennis, and hockey, as well as cycling, swimming, paddling, horseback riding or spending time with sports legends and newsmakers at events sponsored by the Greater Raleigh Sports Council. For anyone who loves the competition and camaraderie of sports, Raleigh scores big.

Performing Arts

For those that wish to indulge their love of live performing arts, the Duke Energy Center for the Performing Arts in downtown Raleigh features performances by the North Carolina Symphony, North Carolina Opera, Carolina Ballet, and North Carolina Theatre. It is also home to Broadway Series South which brings some of Broadway's biggest touring shows, performers, concerts and comedians to Raleigh. The Center boasts several elegant venues including Memorial Auditorium, Fletcher Opera Theater, Meymandi Concert Hall, and the Kennedy Theater.

Music

Legendary performers have honed their craft on the stages of Raleigh's more than 85 live music venues — and still do. Raleigh offers an endless variety of music experiences, from the tour headliners at PNC Arena and Walnut Creek Amphitheater, to fine arts performances and spirited Broadway productions at Duke Energy Center for the Performing Arts, and the dozens of small clubs throughout the city introducing audiences to the next R.E.M. or Sheryl Crow. Red Hat Amphitheater adds outdoor concert-going to the downtown experience. Hopscotch Music Festival, a week-long performance series featuring local, regional and national acts, has become one of the country's rising new music showcases. Whether it's a festival weekend or a Sunday afternoon in the park, live music can be found throughout Midtown, Five Points, Glenwood South, the Warehouse District, City Market and Downtown, giving Raleigh an ever-changing soundtrack.



Stitch / Holly Aiken bags, designed and built in Raleigh

Parks & Greenways

Often described as “a city within a park,” Raleigh is home to an incredible 9,500 acres of public parks and greenways. The Raleigh Parks System is comprised of 135 public facilities throughout the city, featuring 44 recreation centers, ball fields, tennis courts, playgrounds, pools, lakes, nature preserves, and a city museum. More than 2,150 sports, arts and activity programs are enjoyed by people of all ages. The 28 trails that make up the Capital Area Greenway cover more than 100 total miles from one edge of the city to the other, allowing people to easily ride, walk or run from downtown, across the grounds of the N.C. Museum of Art, through Umstead State Park, all the way to the boundary of RDU International Airport. The 26-mile Neuse River Greenway, opened in 2013, provides new access points for kayakers and canoeists, as well as for hikers and cyclists to enjoy a scenic stretch of the Neuse. Downtown, centuries-old oaks stand guard in the park squares that were part of the city’s original design. Parks, greenways and preserves, and the quality of life they afford, are a central part of Raleigh’s cultural identity.

Shopping

Raleigh has been a destination for retail shopping ever since the 1949 opening of Cameron Village, North Carolina’s first shopping center and the first to be built between Atlanta and Washington, D.C. From the fashion house Raleigh Denim and its specialty boutique The Curatory, along with local merchants like Uniquities, Lumina, Moon & Lola and many others to the luxurious offerings of the state’s only Saks Fifth Avenue-Raleigh’s retail scene is rave-worthy. Raleigh is served by three major shopping malls and numerous retail districts offering cutting edge collections for personal style, home décor, art and creative gift-giving. For everyday or haute couture, Raleigh looks better than ever.

Dining

Raleigh has emerged as a food lover’s mecca. Southern Living named Raleigh one of the Top 10 Tastiest Towns in the South. Local chefs are causing a stir everywhere from New Orleans to New York City, winning awards and starring on TV’s hottest cooking shows. Walter Royal, executive chef of Raleigh’s Angus Barn, earned recognition as Chef of the Year from the Restaurant Guild International. James Beard Award winner Ashley Christensen, chef and owner of a growing family of Raleigh restaurants, has been celebrated by Bon Appétit, Gourmet, The New York Times, Southern Living and Garden & Gun. Landmarks like Clyde Cooper’s Barbecue and the Mecca, operating since the 1940s, have been joined by newly-minted hot spots such as Poole’s Diner, Raleigh Times, Bida Manda, Capital Club 16, Oro, Stanbury, and Battistella’s. Long-standing institutions like 42nd St. Oyster Bar, Second Empire and Players Retreat welcome familiar faces like family. Whether it’s our savory North Carolina barbecue, succulent Atlantic seafood, locally farmed Southern delights or international cuisine, more than 1,200 restaurants, cafes, brewpubs and bistros are giving residents and visitors alike a taste of the good life in Raleigh.

“One of the things that is toughest is not to just open restaurants but to cultivate a restaurant community, and that something that is happening very organically and wonderfully here in Raleigh.”

- Ashley Christensen,
James Beard award-winning Chef





Diners at Boylan Bridge Brewpub enjoy scenic views of the downtown skyline.

Cost of Living

While you can't put a price on success, you can track the cost and know your margin. In Raleigh, the numbers look better than almost anywhere else in the country. Income per household is substantially higher than the national average, while prices for goods and services such as groceries, utilities, transportation and health care all rank lower. Housing is affordable, yet resale values are strong. Education in the greater Wake County area, public and private, primary or secondary, is ranked among the best values in the nation. While some things are beyond measure, these are numbers you can live with

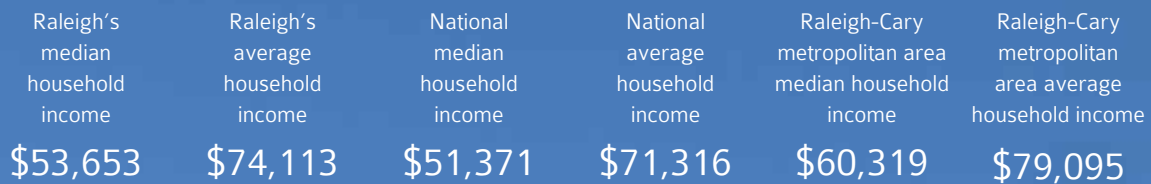
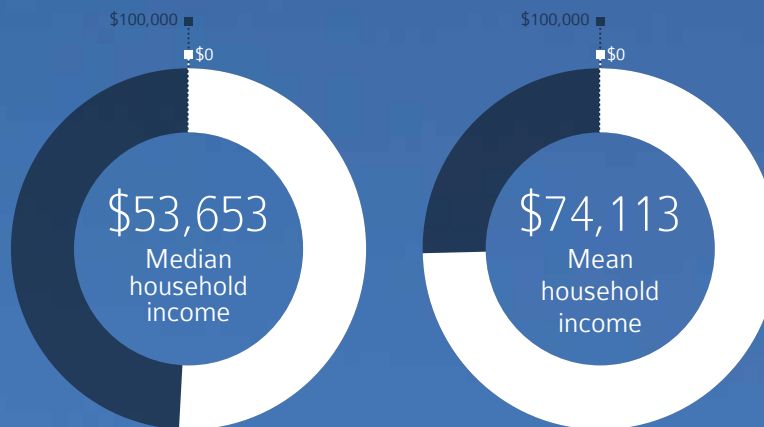
Lower overall cost of living than the national average

According to the Council for Community and Economic Research, for 2013 Raleigh had a lower overall cost of living than the national average. This index looks at average prices for goods such as groceries, housing, utilities, transportation, health care, and other miscellaneous goods & services. For each of these broad categories, Raleigh had lower costs than the national average.

For 2013, San Francisco had the highest apartment rent (\$2,925 per month) in this group. Raleigh had the lowest monthly apartment rent at \$649. Raleigh also had the second-lowest home price (\$228,372) after Nashville-Franklin, TN (\$200,706).
* Based on price for 2 bedroom apartment, unfurnished, excluding all utilities except water, 1.5 or 2 baths, 950 sq. ft. and 2,400 sq. ft. living area new house, 8,000 sq.ft. lot, 4 bedrooms, 2 baths

Urban Area	Apartment Rent	Home Price
Atlanta, GA	\$964	\$239,252
Austin, TX	\$970	\$234,211
Charlotte, NC	\$829	\$244,676
Denver, CO	\$1,009	\$349,490
Nashville - Franklin, TN	\$811	\$200,706
Raleigh, NC	\$649	\$228,372
Richmond, VA	\$871	\$249,778
San Francisco, CA	\$2,925	\$820,479

Source: Council for Community and Economic Research, Cost of Living Index, 2013 Annual Average Data



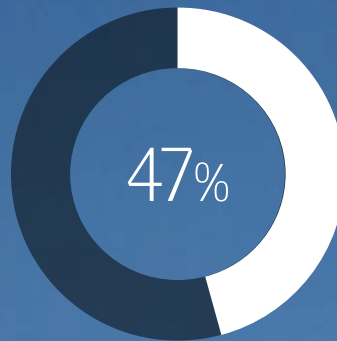
Source: 2012 American Community Survey (1 Year Estimates)

Metro/Micro Urban Area and State	100% Composite Index	Grocery Items	Housing	Utilities	Transportation	Health Care	Misc. Goods & Services
Atlanta, GA (Atlanta-Sandy Springs-Marietta GA Metro)"	91.1	99.8	79.7	93.3	94.9	92.6	94.2
Austin, TX (Austin-Round Rock TX Metro)"	93.2	84.3	86.6	91.2	97.4	99.5	100.2
Charlotte, NC (Charlotte-Gastonia-Concord NC-SC Metro)"	95.7	101.9	84.3	106.6	98.7	98.3	97.3
Denver, CO (Denver-Aurora-Lakewood CO Metro)"	104.2	93.7	116.3	101.3	95	103.9	103.4
Nashville-Franklin, TN (Nashville-Davidson-Murfreesboro TN Metro)"	87.6	88.1	74.8	87	94.3	81.5	96.2
Raleigh, NC (Raleigh-Cary N.C. Metro)"	93.6	102.0	76.7	105.8	98.1	101.9	96.9
Richmond, VA (Richmond VA Metro)"	101.7	98.5	90.1	107.6	99.9	106.7	110.5
San Francisco, CA (San Francisco-Redwood City-Sotuh San Francisco CA Metro Div.)"	161.6	119.5	295.6	95.1	115.2	120.1	116.8

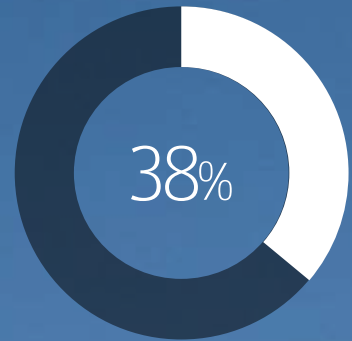
Source: Council for Community and Economic Research, Cost of Living Index, 2013 Annual Average Data

Talent

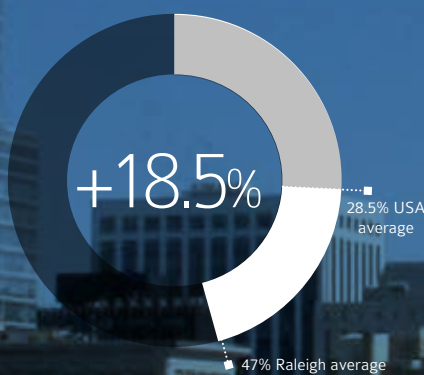
Raleigh has a long-standing reputation for having a highly educated work force. Nearly half of all Raleigh residents have their undergraduate degrees. Fifteen percent have earned post-graduate or professional degrees. Each year, N.C. State University confers over 2,000 degrees in engineering specialties alone. But today's talent pool goes far beyond technology and engineering. Six local colleges and universities produce graduate classes every year in sciences, business and liberal arts who are heavily recruited by the world's leading corporations. An influx of seasoned talent from across the country and around the world has helped to keep the employment rate growing steadily since 2010, and unemployment in Raleigh is lower than state and national averages. Smart, gifted and versatile are characteristics that employers find irresistible here in one of the nation's best talent markets.



Population with Bachelor's degree or higher



Recent graduates of central Raleigh universities with STEM degrees*



Higher than the National Average of Population with Bachelor's Degrees



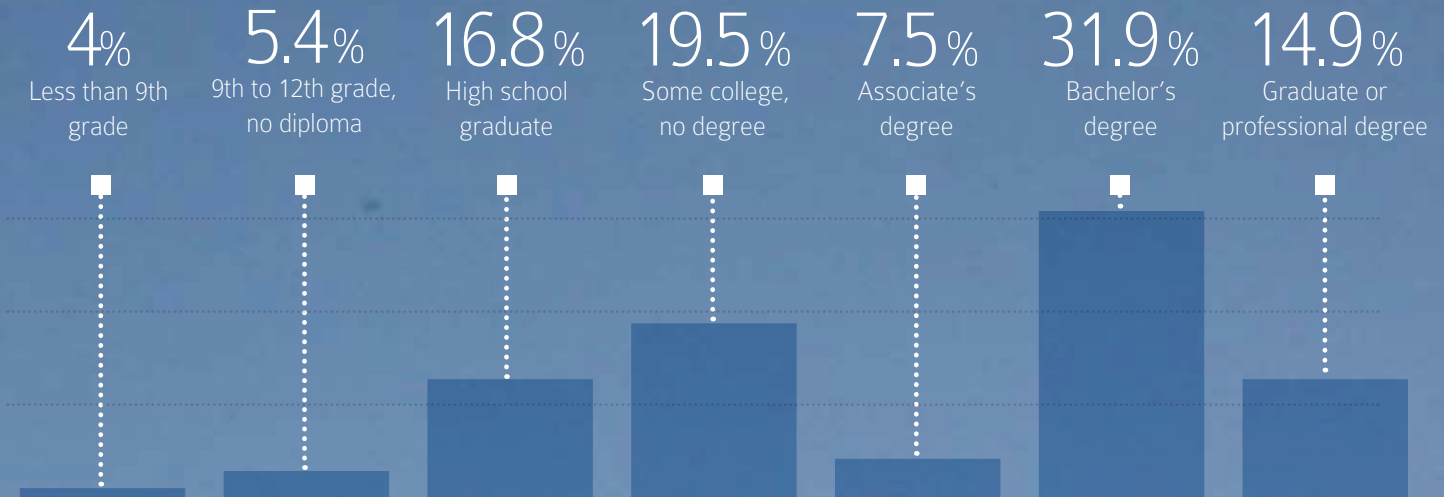
Graduate or professional degree

Source: 2012 American Community Survey (1 Year Estimates) and Integrated Postsecondary Education Data System (IPEDS), 2012

* Central Raleigh universities include NC State University, Shaw University, St. Augustine's College, William Peace University, and Campbell University School of Law; this figure is based on 2012 data. STEM stands for Science, Technology, Engineering, and Mathematics.

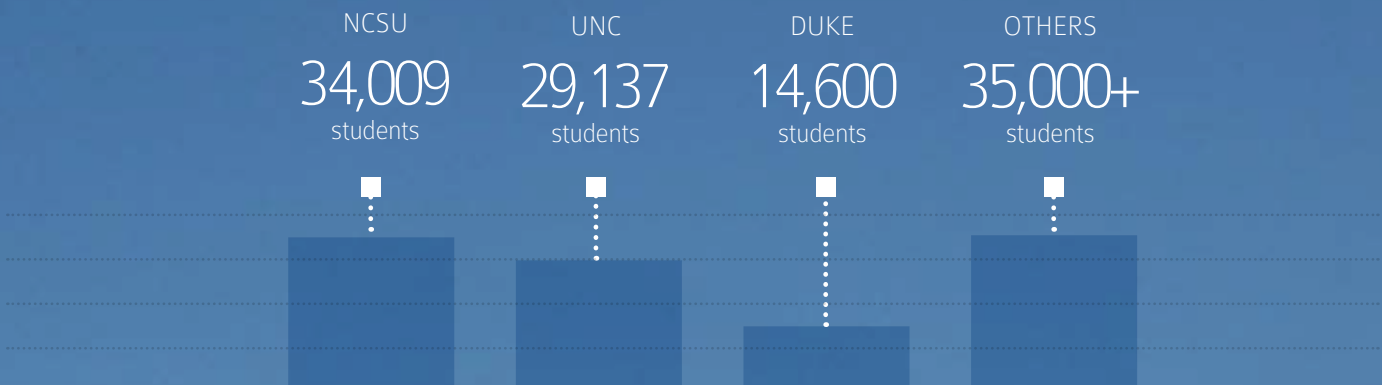
Educational Attainment (for population 25 years and over)

Source: 2012 American Community Survey (1 Year Estimates)



Enrollment by University and College

Source: College and university websites



Engineering Degrees Conferred by N.C. State University, 2012

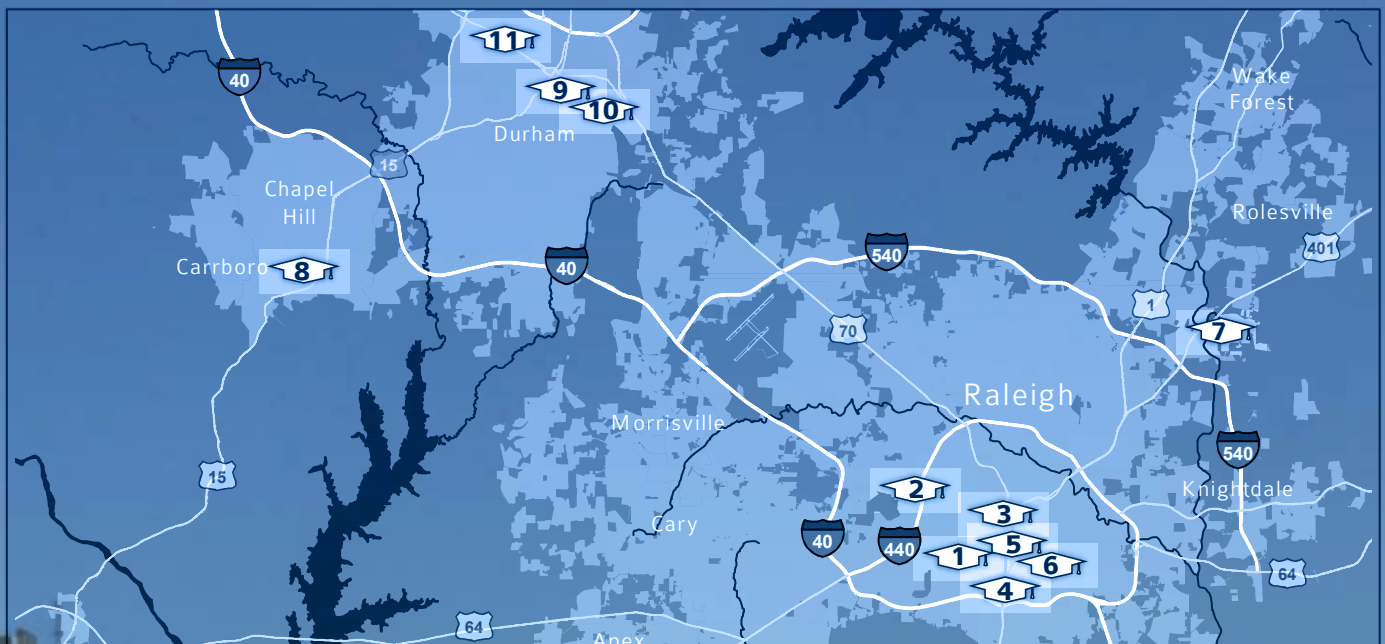
	Bachelor's	Master's	Doctoral
Aerospace, Aeronautical and Astronautical/Space Engineering	63	25	4
Agricultural Engineering	56	23	6
Bioengineering and Biomedical Engineering	46	0	2
Chemical Engineering	149	37	12
Civil Engineering, General	151	100	19
Computer Engineering, General	85	76	7
Electrical and Electronics Engineering	145	99	32
Mechanical Engineering	204	90	14
Nuclear Engineering	32	10	9
Other Engineering Degrees	339	157	46
CATEGORY TOTAL	1,270	617	151

Source: National Center for Education Statistics

The Triangle area is known for the three world-class universities that anchor the area, all within a 25 minute drive of each other.

In Raleigh, **North Carolina State University** is home to more than 34,000 students from all 50 states and more than 100 countries. Known for its focus on applied research, N.C. State is an impressive generator of new technologies, successful startups and highly skilled employees. The university is the nation's third largest recipient of industry-sponsored research grants among public universities without a medical school. On N.C. State's 1,227-acre Centennial Campus, strategically located adjacent to a nationally ranked research university in one of the country's fastest growing cities, industry easily interacts with students, faculty, government agencies and other businesses to develop new commercially viable technologies.

Regional Colleges & Universities



- 1 North Carolina State University
- 2 Meredith College
- 3 William Peace University
- 4 Shaw University
- 5 Campbell University School of Law

- 6 Saint Augustine's University
- 7 Wake Tech Community College
- 8 University of North Carolina at Chapel Hill
- 9 North Carolina Central University
- 10 Durham Tech Community College
- 11 Duke University



Duke University, one of the finest private universities in the nation, is a short drive up I-40. With an enrollment of approximately 14,000 students, this academic powerhouse has annual research expenditures that exceed \$650 million. While this university is well known for its success on the basketball court, it's the Schools of Medicine, Law, Business, Engineering and Divinity that earn the most acclaim.

The **University of North Carolina at Chapel Hill** occupies the westernmost corner of the Triangle. Chartered in 1789 as the nation's first public university, Carolina now educates close to 30,000 students annually and recently eclipsed the \$800 million mark in research grants and contracts.

Raleigh is also home to four other four-year colleges and universities and one law school. **Meredith College** is a private, independent women's college located on a beautiful wooded campus in West Raleigh. With an enrollment of 2,300 students, it is the largest women's college in the Southeast. **Saint Augustine's University**, founded in 1867, is a historically black college with an annual enrollment of approximately 1,500 students, located just 10 blocks east of the state capitol building. Established in 1865, **Shaw University** is a historically black, private liberal arts institution located in downtown Raleigh with an annual enrollment of 2,800 students. **William Peace University**, a 154-year old institution located on the northern edge of downtown Raleigh, enrolls 700 students per year, giving it an enviable student-to-teacher ratio of 11:1. **Campbell University**, whose main campus is 45 minutes away in Buies Creek, made a huge investment in 2009 by relocating its Norman Adrian Wiggins School of Law to downtown Raleigh. The move has resulted in increased application rates and allows students easy access to state and federal courtrooms, plus many of the state's largest law offices.



We have offices in New York, Tokyo, Hong Kong and offices around the continents of Europe and Latin America – we focus on where we can attract and retain talent. The people that walk in and out of your building everyday are the most important assets. We looked at a number of different areas across the U.S. and honed in on Raleigh. The access to talent, the strong entrepreneurial environment here and the ability to put an office downtown, where more people are looking to live, work and play, was critical to us.”

- O'Hara Macken, Ipreo





HQ Raleigh provides shared work spaces designed to empower, foster, and cultivate companies.

Do Business Here

Analytics show that business is attracted to markets that make their decisions for them. Quality of life must not only provide for the individual, but for the corporate community. Taxes must be favorable. Public administration must welcome new and expanding operations with incentives and a spirit of partnership. The built and leasable environment must be expanding and vigorous, with technologically robust inventory available for a broad range of operational needs, from retail and hospitality to commercial office and industrial, as well as the specialized requirements of health care, life sciences, clean tech, IT, software and startups. Keeping people happy and fulfilled is the icing on the cake. Making business decisions easy for corporate leaders and entrepreneurs is where it begins.

Clusters

Raleigh is known for its strengths in technology and innovation which can be seen in the growing number of tech companies and the creative industry evolving around the makers. Raleigh is a city that knows its strengths and how to play to them. Come explore the key business industries.

Life Sciences

Spurred by the world-class science and research concentrated in the greater Triangle area, the life sciences industry is one of the fastest-growing sectors of our local economy. Three decades of focused investment has transformed the region into a world-leading center for life sciences. The North Carolina Biotechnology Center, created in 1981 as the world's first state-sponsored biotech initiative, exemplifies the region's vision and long-range commitment. Today, there are more than 500 life sciences companies located in the Triangle area. This critical mass of companies and the wealth of resources supporting them, including the research communities along with the university research communities that support them, certifies the area as a leader in life science. Access to research, technology, engineering support, customers, suppliers, and a highly educated and skilled workforce, puts Raleigh at the top of a very short list in the life sciences marketplace. It is the trend of converging technologies, however, that is perhaps most indicative of what the future holds. As data and research technologies merge



Raleigh cares about the one-, two- or three-person company in the same way it cares about the 6,000 person company."

- **Justin Miller**, Wedpics



and expand across multiple disciplines, the rate of growth for the life sciences sector will continue to accelerate.

Agricultural biotechnology in the Raleigh market has benefitted from the combination of North Carolina's farming heritage and the RTP's 30-year history of cutting-edge research. Global corporations like BASF, Bayer CropScience, Monsanto and Syngenta operate major research facilities here alongside mid-sized companies and innovative startups, producing sustainable solutions and agricultural therapeutics to manage threats that plant health and improve crop yield.

Drug research, development and manufacturing, focused on the discovery, analysis and production of breakthrough drug therapies, is one of the largest components of the local life sciences cluster. Companies are able to attract talent from our abundant pool of Ph.D. and M.D. scientists. Developers with new compounds that need to test for safety and efficacy



Solar Powered Charging Stations at Downtown Raleigh.

have access to world-renowned research hospitals and a large, diverse patient population, as well as a highly trained manufacturing workforce that ensures all approved products are produced according to high standards and practices.

Medical devices and diagnostics is a sector that has gained momentum during the past decade. Much of that growth has been the result of entrepreneurial initiatives cultivating the technology and talent found within the local university and research communities. Their successes have resulted in an increasing number of international companies entering the Triangle area market, generating nearly \$1 billion in corporate acquisitions.

Contract research organizations (CROs) are integral to the life sciences marketplace, and the Triangle is home to more of these companies, than any other area of the country, including several North American headquarters. CROs are instrumental in managing the pharmaceutical product development cycle, and in helping drug developers, some with potentially life-

saving therapies, navigate through all phases of the FDA approval process.

Cleantech

Raleigh has emerged as a hub for companies developing the advanced, environmentally sustainable technologies categorized as cleantech. The Research Triangle Region Cleantech Cluster (RTCC) is comprised of award-winning professionals from more than 500 companies driving the area's economic and technological growth in **smart grid, energy efficiency, advanced transportation and alternative energy**. At N.C. State University facilitates collaboration between faculty engineers and researchers, government scientists, top student talent and leading cleantech companies. Research support from Duke and UNC-Chapel Hill, as well as from public and private initiatives within RTP, combine to fuel the local Raleigh market with intellectual capital in a wide range of cleantech disciplines.

In **smart grid** innovation, Raleigh is a global leader. More than 3,000 people are directly engaged in the development of smart grid technologies. Power technology companies like ABB and Siemens, together with IBM, Cisco and SAS are playing a leading role building smart grid components, software and data management systems, working locally with Duke Energy in the design, engineering and deployment of power network solutions. Smart grid operations and service in Raleigh rely on 50 different companies across every segment of the power and utility infrastructure, including critical areas of data integration, power distribution, building energy management, and system-wide intelligence. At the Raleigh-based Future Renewable Electric Energy Delivery and Management (FREEDM) Systems Center, pioneering work in emerging technologies, such as linking renewable energy resources to the power grid, helps to keep Raleigh at the forefront of this vitally important industry.

R&D in **renewable energy and energy efficiency** is also an emerging growth sector in the Raleigh market. Central and eastern North Carolina's farmlands and forests provide easy access to raw materials for bio-fuels research, testing and production. The North Carolina Solar Center, based in N.C. State College of Engineering, is a nationally-recognized resource for clean energy technology. The N.C. Solar Center also developed a Clean Transportation Program to increase the use of alternative fuels and advanced transportation technologies, helping to diversify fuel supplies and support cleaner, more vibrant economies through enhanced energy security. In 2012, Raleigh also became a market for offshore wind energy innovation with the arrival of China's Ming Yang Wind Power Group, a leading global producer of turbine technologies.

Advanced transportation is yet another area where Raleigh is leading in clean technologies. The Advanced Transportation Energy Center (ATEC) at N.C. State, is a global resource linking industry and academic researchers to advance the innovation and adoption of plug-in hybrid and electric vehicles. ATEC serves as a valuable education and research initiative in collaboration with an impressive list of worldwide commercial partners including Eaton, GE and Toyota.

Energy intelligence has also been embraced by the public sector. In 2007, the City of Raleigh launched a program designed to convert its municipal fleet to vehicles powered by bio-fuels, flex fuels, hybrid systems, clean diesel and electricity. In 2009, Progress Energy partnered with the city to dramatically enhance the environmental, cultural and economic sustainability of the city's transportation infrastructure. By early



We wanted a community where there's a culture of innovation."

– David Campbell, Allscripts



2012, 23 public vehicle charging stations had been installed around Raleigh in addition to six reserved exclusively for the city fleet.

Startups

Topping the Forbes magazine list of 10 Up and Coming Cities for Entrepreneurs, Raleigh has a vibrant and flourishing startup ecosystem that includes more than 300 companies. The support community of entrepreneurs, service providers, academia, corporate partners, non-profits and governmental agencies rallies around our startups, enabling founders to quickly integrate into the entrepreneurial environment with an unprecedented range of resources. A growing number of venture capital firms, angel investors and incubators are also emerging to take advantage of the fertile startup landscape. Innovation hubs like ThinkHouse, HQ Raleigh and American Underground are providing collaborative workspaces, networking and mentoring opportunities for local fledgling



There's a group in Italy that owns stores in Naples, Rome and Milan - as we're talking with them about our brand they thought we should have Raleigh N.C. on our label, which I thought was a great testament to the worldwide perception of Raleigh and what it stands for."

– **Scott Mahoney**, Peter Millar



companies. The Raleigh Chamber of Commerce and the Triangle-wide Council for Economic Development also offer a variety of services to foster interaction, collaboration and growth. The conditions for startups in Raleigh, the hotbed of innovation that gave life to Sharefile, Hosted Solutions, PeopleClick, Salix Pharmaceuticals, General Parts, Highwoods Properties, Stock Building Supply, Waste Industries, Golden Corral, and many others, have never been better.

Consumer Goods

From clothing to jewelry and accessories, along with food, coffee and of course, beer, Raleigh is home to a growing number of consumer goods companies, both for corporate and design headquarters as well as production. Given North Carolina's long-standing traditions in the textile industry, it makes sense that Raleigh would have a notable roster of apparel companies. Peter Millar, an exclusive brand of luxury sportswear sold throughout the world, is a Raleigh-born company that chose to locate its corporate, marketing and design offices in Pilot Mill, a historic, 120 year-old structure that was, naturally, a textile mill. Another apparel company that has found success is Raleigh Denim, maker of handmade jeans and fashion apparel with production operations and a retail shop, The Curatory, located in Raleigh's warehouse district. Lumina Clothing Company and High Cotton Ties, producing original apparel and neckwear, have also located their retail operations in downtown Raleigh. Raleigh is home to original handmade bags from Holly Aiken and Lisa Stewart Designs, original jewelry and accessories by Moon & Lola, chocolates from Videri Chocolate Factory, Escazu Artisan Chocolates and Elemental Chocolates, coffee from Larry's Beans and a growing number of craft beers from Lonerider, Raleigh Brewing, Big Boss and others. Entrepreneurism in Raleigh goes beyond science and technology, as opportunities for local consumer brands continues to expand.

IT/Software

With companies like Red Hat, SAS, IBM, Saffron, Epic Games and other software technology leaders located in or near Raleigh, its little wonder that the software development sector in our local market is booming.

The gaming industry in the Raleigh area includes more than 40 companies in one of the largest concentrations of game developer assets in the country. Epic Games, with offices throughout the U.S. as well as Europe and Asia, is a worldwide leader in the industry. Local area studios not only serve the recreational gaming marketplace, but also work with the military, the university community and the healthcare industry to produce interactive learning platforms for educational and training purposes.

Defense technologies also represent a growth area for the software industry in Raleigh. Some of the largest military bases in the country – Fort Bragg (Army), Seymour Johnson (Air Force), Camp LeJeune (Marines) and Cherry Point



Red Hat, headquartered in downtown Raleigh, is a worldwide provider of Linux and Open Source Technology.

(Marines) are located just a short drive away. The defense technology community in eastern North Carolina works closely with developers in the Raleigh area to continually push the innovation envelope in the development of state-of-the-art systems and solutions for our nation's defense.

Analytics, a dynamic and rapidly innovating sector of software technology, represents a critical tool in leveraging the power of data. Our region benefits from the presence of companies like SAS, offering next-generation enterprise solutions for data mining and visualization, forecasting, statistical analysis, customer intelligence, fraud and security protection, and more. Nearby, Saffron develops enhanced business intelligence services for private equity, mergers and acquisitions departments, investment banks, accounting firms and other corporate interests, accelerating data-driven due diligence timeframes from weeks to minutes. First Analytics, specializing in predictive modeling, is located at N.C. State's Centennial Campus. Also on Centennial Campus in the Institute for Advanced Analytics, a university-wide, interdisciplinary collaboration offering the nation's first master's degree in analytics. The analytics sector in Raleigh, known for having

some of the most forward-thinking developers in the world, is a global leader in the world of big data, helping businesses of all sizes make more intelligent decisions.

Application development is driving the advancement of communication, business development and commerce on the Internet. Any web site that performs a function beyond static information qualifies as an application, and in Raleigh there is a talented community of creative developers and designers providing companies with apps ranging from mobile platforms to e-commerce sites, social networks, full-streaming video and integrated marketing campaigns. The marketplace for custom web software that gives added value to commercial enterprises is exploding. Being in the heart of one of the nation's most tech-savvy regions, Raleigh is "developer central," benefitting area companies and the local economy by creating high quality consumer and B2B services.

Software as a Service, or SaaS, is a model of software deployment where hosted applications provide services to customers across the Internet. In the Raleigh area, we are fortunate to have several of the world's most technologically

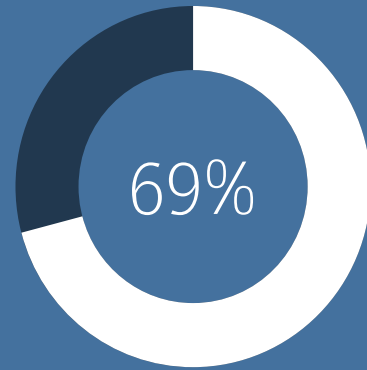
sophisticated software service providers. Cisco is the global leader in internet protocols. NetApp is a leading innovator in large-scale, cloud-based data services. SAS leads the way in data management and analysis. In addition, the software engineering community in Raleigh, with world-class talent attracted by the area's reputation for leadership in advanced technologies, fosters innovation serving nearly every industry, from healthcare to digital manufacturing simulation. Red Hat, located in downtown Raleigh, is the world's leading provider of Linux and open source solutions, providing high-performing cloud, virtualization, storage and middleware technologies. These and other software innovators in the Raleigh market contribute to an extraordinary pool of talent and entrepreneurial energy that is fueling the city's future as a technological hub.

Access & Infrastructure

Connection not only drives business, it strengthens our community. whether by phone, email, Internet or getting from point-to-point for a face-to-face. In 2010, Raleigh ranked No. 1 on Forbes' list of the Most Wired Cities in America, and the IT infrastructure has only grown since then. From the high-tech Raleigh Convention Center to Wi-Fi networks in public locations all over town, Raleigh is linked up. The City of Raleigh is expanding its internal fiber network to enhance communications efficiencies, reducing municipal expenses and taxpayer burden. The city also provides broadband services to underserved areas, and offers youth programs for technology training and mentoring. And we get around just as efficiently. Nearly 69 percent of commuters have a travel time to work of less than 25 minutes. By car, bus, bicycle, rail, or international airliner, Raleigh moves easily and stays connected.

Telecomm

Raleigh has been called the Most Wired City in America. The City of Raleigh is doing its part to live up to that billing by upgrading its municipal communications network with a state-of-the art fiber ring connecting all major public facilities. In collaboration with a traffic signal upgrade project, 125 miles of additional fiber is being added throughout Raleigh's 142.8 square miles. This fiber backbone, expected to be complete in the third quarter of 2014, will serve as the foundation



of Raleigh workers who commute have a travel time to work of less than 25 minutes

Source: 2012 American Community Survey (1 Year Estimates)

for the City of Raleigh's municipal network. A separate construction project will connect approximately 90 facilities. When complete, the 24-strand fiber network will reduce telecommunication costs by approximately \$550,000 annually, and provide interconnections to partner organizations and non-profits.

When regional or national high-tech conferences are hosted at the Raleigh Convention Center, the City's IT Department collaborates with organizers to provide technology support for the event and all attendees. Throughout the year, free outdoor Wi-Fi in the center city, Pullen Park, and Annie Louise Wilkerson Nature Preserve Park, branded as You R Connected, serves thousands of downtown business professionals, visitors, and park patrons.

Raleigh provides broadband access to 1,482 homes in underserved areas throughout the city, funded by a grant from the Broadband Technologies Opportunity Partnership (BTOP). The city also provides the Digital Connectors youth training programs, a nationally renowned initiative that provides technology training and mentoring for young people, helping to develop 21st century technology skills, professional life skills, and inspiring participants to serve their communities.



Construction on Union Station Raleigh will begin in 2015.

Union Station

Transforming the transportation infrastructure of Raleigh will be the city's new Union Station development, serving Amtrak passengers and adding new retail and commercial office space to its Warehouse District location. The \$73 million phase I project, featuring three levels of restaurants, shops and offices, will be built in the old Dillon Supply Viaduct building, offering visitors a rooftop view of the downtown Raleigh skyline.

Throughout the design process, architects from Raleigh's acclaimed design firm, Clearscapes, sought public feedback on the aesthetics and amenities while looking at how other cities have reused warehouses and trying to honor the city's railroad heritage. Planners envision a vibrant, active and economically viable space, not only benefitting rail passengers but also creating a new downtown destination.

Upon full-build-out, Raleigh Union Station will serve as a transportation hub for local and regional commuter and



passenger rail, buses, taxis, cyclists and pedestrians. Final designs are expected to be completed by Fall 2014, with construction commencing early 2015, and the Grand Opening scheduled for 2017.

Data Center housing

Raleigh Residential Sales by Price Range and Type of Unit - 2013

Price Range	Single Family	Townhouse	Condo	All Units
\$25,000 - \$100,000	112	178	183	473
\$100,001 - \$150,000	562	557	136	1,255
\$150,001 - \$200,000	823	514	62	1,399
\$200,001 - \$250,000	710	253	56	1,019
\$250,001 - \$300,000	489	127	41	657
\$300,001 - \$350,000	313	43	23	379
\$350,001 - \$400,000	220	34	11	265
over \$400,000	728	53	36	817

Source: Wake County Revenue Department

Median Sales Price by Unit Type - City of Raleigh

	2012 Median Sales Price	2013 Median Sales Price	% change from 2012-2013	2012 total units sold	2013 total units sold	% change from 2012 to 2013
Detached	\$230,000	\$232,000	0.9%	2,836	3,957	39.5%
Townhouse	\$157,000	\$162,000	3.2%	1,154	1,759	52.4%
Condominium	\$135,000	\$121,250	-10.2%	394	548	39.1%

Source: Wake County Revenue Department

economy

Employment by Sector in Wake County and North Carolina

	2000		2011		2012		2013		2013	
Sectors	Wake County	North Carolina	Wake County	North Carolina	Wake County	North Carolina	Wake County	North Carolina	Wake County % of total	North Carolina % of total
Natural Resources & Mining	1,724	35,634	1,007	31,354	1,028	31,600	1,126	31,632	0.24%	0.80%
Construction	27,779	231,439	24,506	173,670	25,204	171,949	25,763	173,591	5.44%	4.37%
Manufacturing	28,257	759,026	19,324	434,698	18,563	439,340	22,525	442,611	4.75%	11.13%
Goods-Producing Domain Total	57,760	1,026,099	44,837	639,722	44,795	642,889	49,413	647,833	10.43%	16.30%
Trade, Transportation & Utilities	82,394	786,278	82,110	754,387	84,710	770,002	84,631	783,091	17.86%	19.70%
Information	18,110	85,270	16,963	69,962	17,447	70,218	17,664	70,704	3.73%	1.78%
Financial Activities	20,760	174,401	25,142	196,074	25,030	197,455	24,951	200,956	5.26%	5.06%
Professional & Business Services	70,459	464,496	85,987	518,181	91,441	538,887	99,455	554,105	20.98%	13.94%
Education & Health Services	56,196	690,503	85,780	922,101	88,177	931,525	90,081	944,598	19.01%	23.76%
Leisure & Hospitality	33,902	328,832	47,918	404,094	50,765	419,938	53,180	435,568	11.22%	10.96%
Other Services	12,298	99,037	13,634	95,392	14,659	98,130	14,820	100,534	3.13%	2.53%
Public Administration	32,424	216,294	39,491	237,126	38,789	236,043	39,768	237,754	8.39%	5.98%
Unclassified	*	*	*	*	5	33	*	*	n/a	n/a
Service-Providing Domain Total	326,543	2,845,111	397,025	3,197,317	411,019	3,262,220	424,550	3,327,312	89.57%	83.70%
Total	384,303	3,871,210	441,862	3,837,039	455,814	3,905,109	473,963	3,975,145	100%	100%

Employment by Ownership Type in Wake County and North Carolina

Government (Local, State, Federal)	66,558	603,170	75,310	680,025	75,002	680,020	75,716	683,390	15.98%	17.19%
Private Industry	317,742	3,268,039	366,551	3,156,767	380,812	3,225,090	398,248	3,291,755	84.02%	82.81%
Total	384,300	3,871,209	441,861	3,836,792	455,814	3,905,110	473,964	3,975,145	100%	100%

Source: Quarterly Census of Employment and Wages, North Carolina Division of Employment Security

Average Annual Unemployment Rates - 2009 to 2014

	2009	2010	2011	2012	2013	2014 June
Raleigh	7.3%	7.7%	7.4%	6.8%	5.7%	4.8 %
Wake County	8.3%	8.6%	7.9%	7.4%	6.2%	5.1%
Raleigh-Cary MSA	8.5%	8.8%	8.1%	7.6%	6.4%	5.2%
North Carolina	10.4%	10.8%	10.2%	9.2%	8.0%	6.5%
United States	9.3%	9.6%	8.9%	8.1%	7.4%	6.5%

Source: Labor & Economic Analysis Division - NC Department of Commerce

Property Tax Rates - 2005 to 2014

	2005	2006	2007	2008*	2009	2010	2011	2012	2013	2014
Angier ²	0.50	0.53	0.53	0.53	0.534	0.530	0.530	0.530	0.53	0.53
Apex	0.40	0.40	0.40	0.34	0.34	0.34	0.34	0.39	0.39	0.39
Cary	0.42	0.42	0.42	0.33	0.33	0.33	0.33	0.33	0.35	0.35
Clayton	n/a	0.49	0.54	0.54	0.54	0.54	0.54	0.525	0.525	0.525
Fuquay Varina	0.52	0.52	0.52	0.385	0.385	0.385	0.385	0.385	0.385	0.385
Garner	0.56	0.575	0.575	0.49	0.49	0.49	0.49	0.49	0.49	0.5
Holly Springs	0.53	0.53	0.53	0.415	0.415	0.415	0.415	0.435	0.435	0.435
Knightdale	0.50	0.50	0.50	0.40	0.40	0.41	0.410	0.41	0.43	0.43
Morrisville ⁴	0.4677	0.4677	0.4677	0.3665	0.3665	0.3665	0.3665	0.3665	0.39	0.39
Raleigh ²	0.395	0.435	0.435	0.3735	0.3735	0.3735	0.3735	0.3826	0.3826	0.4038
Rolesville	0.485	0.485	0.515	0.42	0.42	0.42	0.42	0.44	0.44	0.44
Wake Forest ²	0.54	0.54	0.55	0.51	0.51	0.51	0.51	0.51	0.51	0.52
Wendell ³	0.54	0.54	0.54	0.49	0.49	0.49	0.49	0.49	0.49	0.49
Zebulon	0.49	0.50	0.55	0.51	0.50	0.50	0.50	0.51	0.525	0.525
Wake County ¹	0.604	0.634	0.678	0.534	0.534	0.534	0.534	0.534	0.534	0.578

Source: Wake County Revenue Department

* Real Estate reappraisal effective

1 Properties not located within a municipality may be subject to a fire district tax and the RTP special district tax in addition to county taxes.

2 May be subject to a special district tax in addition to the municipal rate.

3 All property within this municipality is also subject to the current fire district tax.

4 Beginning with tax year 2012, the town assesses a stormwater fee on certain real estate properties.

Value of All Authorized Construction in City of Raleigh 2000 to 2013

Year	Value	Year	Value
2000	\$1,187,362,277	2007	\$2,136,336,763
2001	\$1,301,590,138	2008	\$1,952,273,920
2002	\$1,001,613,936	2009	\$759,551,219
2003	\$1,191,743,536	2010	\$1,115,704,262
2004	\$1,319,440,632	2011	\$1,050,424,166
2005	\$1,448,825,323	2012	\$1,361,702,306
2006	\$1,904,562,218	2013	\$1,058,041,100

Source: City of Raleigh Inspections Department

The total value of construction authorized in the City of Raleigh is derived from the value of building permits for new construction, new commercial construction (private and publicly-owned), residential and commercial alterations and additions, and other (such as demolitions). For calendar year 2013, over \$1 billion in total construction was authorized in Raleigh.

Raleigh and ETJ New Non-Residential Building Activity 2004 to 2013

Office			
Year	# of Permits	Square Feet	Construction Value
2004	59	820,422	\$103,100,464
2005	58	1,662,558	\$104,049,735
2006	88	1,861,399	\$125,401,189
2007	55	1,073,572	\$81,385,165
2008	48	2,269,863	\$178,803,437
2009	30	517,432	\$44,230,191
2010	11	1,077,530	\$237,682,996
2011	18	398,962	\$38,756,590
2012	19	686,796	\$52,249,057
2013	9	364,100	\$26,180,658
Total	395	10,732,634	\$991,839,482

Industrial			
Year	# of Permits	Square Feet	Construction Value
2004	25	453,768	\$12,942,122
2005	33	406,993	\$20,996,971
2006	39	360,351	\$18,400,399
2007	40	659,898	\$37,177,945
2008	12	151,908	\$9,270,036
2009	9	141,810	\$7,789,500
2010	7	170,680	\$10,182,575
2011	7	33,913	\$1,276,400
2012	5	124,327	\$5,485,533
2013	5	149,230	\$7,017,000
Total	182	2,652,878	\$130,538,481

Institutional			
Year	# of Permits	Square Feet	Construction Value
2004	60	765,197	\$65,783,506
2005	105	1,942,934	\$181,939,826
2006	67	1,367,979	\$164,896,863
2007	56	592,216	\$80,695,549
2008	68	482,000	\$158,807,201
2009	27	697,327	\$59,053,672
2010	29	415,985	\$49,697,344
2011	30	280,692	\$72,245,736
2012	14	104,310	\$13,953,376
2013	19	239,599	\$26,949,240
Total	475	6,888,239	\$874,022,313

Commercial			
Year	# of Permits	Square Feet	Construction Value
2004	58	846,537	\$49,843,500
2005	38	412,575	\$36,320,807
2006	60	1,178,996	\$101,093,168
2007	56	1,357,355	\$190,443,492
2008	47	1,494,755	\$150,132,467
2009	30	691,702	\$101,233,024
2010	25	669,286	\$99,136,446
2011	20	317,563	\$30,390,667
2012	10	277,020	\$28,680,914
2013	16	246,234	\$27,798,301
Total	360	7,492,023	\$815,072,786

Other*			
Year	# of Permits	Square Feet	Construction Value
2004	92	342,836	\$9,458,701
2005	83	369,784	\$16,273,607
2006	82	1,343,152	\$83,507,699
2007	171	1,813,719	\$65,301,239
2008	135	1,989,683	\$166,667,759
2009	76	1,040,954	\$31,560,301
2010	72	255,093	\$8,686,844
2011	108	553,061	\$24,449,866
2012	128	980,698	\$59,194,918
2013	101	623,262	\$31,359,616
Total	1,048	9,312,242	\$496,460,550



Source: City of Raleigh Planning and Inspections Departments.
Figures do not include alterations or fit-ups.

* Other includes parking garages, out buildings, cell towers, etc.
ETJ stands for Extraterritorial Jurisdiction and is the area under the city's planning and zoning jurisdiction.



ECONOMIC
DEVELOPMENT
CITY OF RALEIGH

there is a Raleigh for **everyone**

WE ARE YOUR TEAM. WE ARE HERE TO ASSIST YOU.



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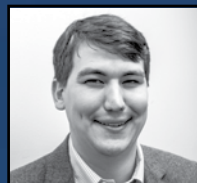
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