

HIGH POINT ECONOMIC DEVELOPMENT CORPORATION

Ralph Lauren Corp. adding 900 jobs • Distribution, office expansion includes \$163 million capital investment • **Solstas Lab Partners enlarging local workforce by 500** • Medical and diagnostic laboratories company continues to grow • **Stanley Furniture moving headquarters to High Point** • New downtown facility will include company's showroom • **High Point University has \$464.5 million annual economic impact** • Faculty and staff growing by 260 jobs • **High Point Regional Health System joins forces with UNC Health Care** • Merger will mean \$150 million for capital needs • **Cornerstone Health Care bringing 215 additional jobs** • Independent physicians' group is investing \$25 million in expansion • **NCO hiring 700 employees** • Customer contact center will handle work for new client

2012
ANNUAL REPORT

MOVING FORWARD

MOVING FORWARD IMPRESSIVELY

Dear High Point citizens, business leaders, and allies:

As you review this 2012 annual report, it will quickly become apparent that High Point USA made significant and impressive strides in moving forward after the tough times of the recent national recession.



Chairman Charles Cain speaks at the 2012 annual meeting of the HPEDC, held in November on the campus of High Point University.

On a list of 47 job-creation announcements in 2012, High Point had three of the top five largest projects in the Piedmont Triad region – 60% – although the city covers less than 1% of the geographic territory and only 6.4% of the population of the 12-county region.

Those top five projects highlighted by the Piedmont Triad Partnership included:

- the second phase of a 900-job Ralph Lauren Corp. expansion;
- the re-hiring of 700 positions at the NCO Customer Management facility; and
- the 500-job expansion by Solstas Lab Partners.

In addition, High Point had 19% of the region's total jobs announcements. Included in that list is Stanley Furniture's decision to relocate its corporate headquarters from another state to High Point.

Year after year, High Point has consistently outperformed larger entities in the region. We believe that success has been the result of the collaboration among High Point's business, education, and governmental leaders. We thank you for helping put High Point in that enviable position.

Sincerely,

Handwritten signature of Charles L. Cain in black ink.

Charles L. Cain
Chairman of the Board

Handwritten signature of Loren Hill in black ink.

Loren Hill
President

Mission of the High Point Economic Development Corporation

The High Point Economic Development Corporation is a public-private organization whose mission is to:

- work to retain existing business and industry in the City of High Point;
- assist local companies in expanding;
- attract new businesses to locate in High Point; and
- encourage the creation of head-of-household jobs for Piedmont Triad residents.

LATEST HIGH POINT USA ANNOUNCEMENTS

In 2012, High Point USA had several major economic development announcements – including the three largest job announcements in High Point in more than 14 years. Those announcements came from a wide range of industry sectors – including distribution/logistics, furniture, manufacturing, health care, customer service, and education.

Ralph Lauren Corp. adding 900 jobs, making \$163 million additional investment

Ralph Lauren Corp. is again expanding in High Point. In June 2012, the company announced the second of two phases of an expansion project, adding 900 jobs in the city and adding more than \$163 million to the local tax base.



Governor Bev Perdue and NC Commerce Secretary Keith Crisco make a presentation to George Clopton of Ralph Lauren Corp. [left] at the June 2012 announcement ceremony.*

Ralph Lauren Corp. began operations in High Point in 1991 and has grown dramatically since then. The company is one of High Point's largest employers with more than 2,000 full-time-equivalent employees.

The company has five locations in the city that host three major apparel and home goods distribution facilities, office operations, a technical facility, a customer contact operation, and a research and development facility.



HPU's University Center is a prime gathering spot for both students and campus visitors.

High Point University adds 260 jobs, has \$464.5 million annual economic impact

High Point University added 260 jobs in 2011 and 2012. New positions include 50 faculty members for undergraduate and doctoral programs, administrative staff, food service, security, and athletics.

The growth of High Point University – through thousands of visitors brought to campus, hundreds of newly-created jobs, the construction of new facilities, its operating budget, and more – has a \$464.5 million positive annual economic impact.

Solstas Lab Partners enlarging local workforce by 500 jobs

Solstas Lab Partners is a medical and diagnostic laboratories company co-headquartered in High Point. The company began 2012 with a local workforce of more than 720 full-time and 140 part-time employees.

In April 2012, the company announced it is adding 500 jobs to its High Point staff. Over the last two years, the company had added 265 jobs.



David Weavil of Solstas Lab Partners describes his company's 500-job expansion project during the February 2012 announcement program.*

Stanley Furniture moving headquarters to High Point

Stanley Furniture, a manufacturer and marketer of premium wood residential furniture, will expand its presence in High Point.

The company will open a new facility downtown. At that new location, the company will consolidate its High Point corporate office, its High Point showroom, and its out-of-state corporate headquarters. With this consolidation, the company will bring 42 new jobs to High Point and add more than \$4 million to the local tax base.



At the April 2012 announcement festivities, Glenn Prillaman of Stanley Furniture [second from left] is congratulated by County Commissioner Bruce Davis, Mayor Pro Tem Chris Whitley, and NC Commerce Deputy Secretary Dale Carroll.

Cornerstone creates 80 jobs, announces 135 more

Cornerstone Health Care, the region's largest independent physicians' group, is adding 135 staff members and investing \$25 million during the next two years. The organization, which added 80 jobs during 2011, is one of High Point's largest employers with more than 1,200 full-time-equivalent employees.

NCO hiring 700 employees

NCO Customer Management – which recently merged with APAC Customer Services – is hiring more than 700 employees at its High Point customer contact center on Federal Dr.

NCO announced in March 2012 that it would close in August, since the company's contract with United Parcel Service was ending. NCO began laying off its 685 employees. In August, however, the company announced it had contracted with a new client. As a result, the company stayed open and immediately began hiring a 700-person workforce.

High Point Regional Health System joins forces with UNC Health Care

In September 2012, High Point Regional Health System – High Point's third largest employer – announced it will form a strategic partnership with UNC Health Care.

The merger will mean an infusion of investment for the city's health system – including \$150 million for capital needs and \$50 million for a community health fund.

Also in September, High Point Regional Health System received final state approval to proceed with a \$56.3 million upgrade and expansion.

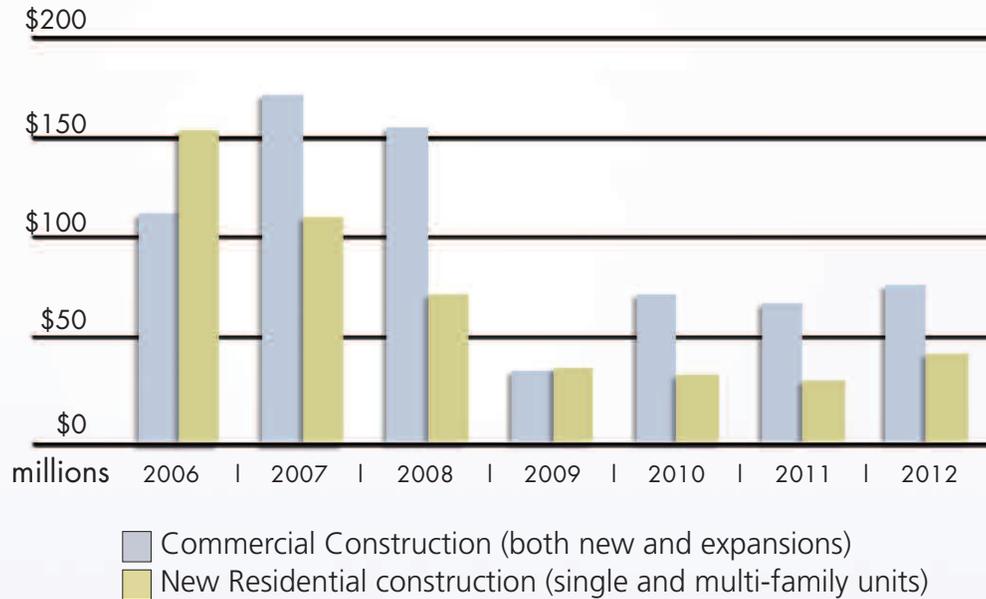


Updated signage in front of High Point Regional Hospital makes clear the new relationship between the local health system and the state-owned integrated health system based in Chapel Hill.

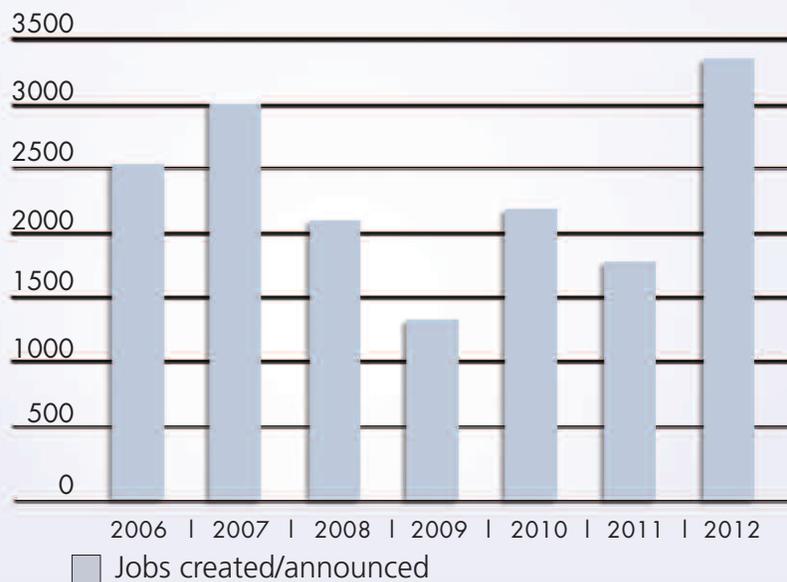
SEVEN-YEAR TRENDS

High Point and the Piedmont Triad region faced challenges during the national economic recession. Commercial construction, though, continues to trend upward from the low marks of 2009, and job announcements in 2012 set a seven-year record.

High Point construction capital investment ¹



High Point job announcements ²



¹ Source: City of High Point building permits

² Source: HPEDC [from surveys, media accounts, and other information – these figures reflect jobs created plus announced prospective job creation; figures do not include all jobs added in High Point in 2012 and do not reflect job losses during the year]

HIGH POINT'S LARGEST TAXPAYERS

High Point's 20 largest taxpayers – which pay 13.5% of all city property taxes – represent a diverse group of industry sectors. These taxpayers' property is collectively valued at \$1.17 billion, and they will pay \$7.9 million in taxes to the City of High Point in the current fiscal year.

Ranking	Company	Nature of operation	Total valuation
1	International Market Centers, L.P.¹	home furnishings showroom	\$309,896,672
2	Liberty Property Trust	real estate: office/industrial parks	\$102,635,000
3	Ralph Lauren Corp.	distribution/customer service	\$93,401,950
4	TE Connectivity	electronics manufacturing/distribution	\$65,772,305
5	North State Communications	communications utility	\$58,038,223
6	Carolina Investment Properties²	real estate: office/industrial parks	\$53,427,800
7	Blue Ridge Companies³	real estate: retail/multi-family housing	\$49,054,895
8	Thomas Built Buses/Daimler Trucks	bus manufacturing	\$45,674,226
9	Banner Pharmacaps	pharmaceutical manufacturing	\$41,307,878
10	Walmart Stores	real estate: retail	\$39,615,471
11	At Greensboro NC LLC⁴	finance/customer service	\$37,227,100
12	Mannington Mills	flooring manufacturing/distribution	\$33,680,825
13	Kao Specialties Americas	chemical manufacturing	\$32,430,458
14	Samson Marketing⁵	home furnishings distribution/showroom	\$32,325,258
15	MarketPlace Management⁶	real estate: multi-family housing/retail/office	\$31,498,100
16	Crowne Lake Associates	real estate: multi-family housing	\$30,160,717
17	Piedmont Natural Gas	natural gas utility	\$29,793,054
18	Time Warner	communications utility	\$35,863,514
19	High Point Bank & Trust Co.	finance/customer service	\$25,225,664
20	Solstas Lab Partners	medical laboratory services	\$25,106,085

¹ IMC is the owner of 14 showroom buildings spanning 6.2 million square feet in High Point: the International Home Furnishings Center, Merchandise Mart Properties (including Market Square, Suites at Market Square, Plaza Suites, National Furniture Mart, Hamilton Market, et al.), and HP Showplace Investors buildings (Showplace, Showplace West, 200 N. Hamilton and 330 N. Hamilton).

² Carolina Investment holdings include Kivett Drive Industrial Park, parts of Premier Center, Advanced Home Care, et al.

³ Blue Ridge holdings include the Shoppes at Deep River, the Palladium complex, Alexandria Park Apartments, et al. (these figures do not include the former Presbyterian Home on Greensboro Rd.).

⁴ This group owns the Piedmont Parkway building of Bank of America. Before 2012, First State Investors 3500 LLC owned this facility.

⁵ Samson Marketing is the parent of Universal Furniture International and Legacy Classic Furniture – with facilities on Penny Rd., Eagle Hill Dr., and Uwharrie Rd.

⁶ MarketPlace holdings include The Crossing Apartments, Swathmore Court Apartments, Northpointe Crossing, North Main Village, Swathmore Commons, portions of Wendover Landing, Marketplace Plaza, et al.

Source: City of High Point Financial Services Dept.
Guilford County Tax Department

Top 10 national ranking for High Point's MSA in 2012

Site Selection Magazine announced that – for the sixth year in a row – the Greensboro/High Point Metropolitan Statistical Area earned a Top 10 national ranking for attracting new industry among similar-sized communities.

The MSA – composed of Guilford, Randolph, and Rockingham counties – ranked #6 in the nation, based

on the number of corporate real estate projects of \$1 million or greater in 2012.

For two of those six Top 10 years, the region impressively ranked #1. High Point's successes, relative to its size, led the way in the region receiving these recognitions.

HIGH POINT'S LARGEST EMPLOYERS

High Point's 20 largest employers – which collectively provide work for more than 19,200 Piedmont Triad residents – showcase High Point's diverse group of industry sectors.

Ranking	Company/organization	Nature of operation	Total employees in High Point ¹
1	Bank of America²	finance/customer service	2,283
2	Ralph Lauren Corp.	distribution/customer service	2,062
3	High Point Regional Health System²	healthcare	1,858
4	Guilford County Schools²	public education	1,692
5	City of High Point	local government	1,350
6	Thomas Built Buses/Daimler Trucks	bus manufacturing	1,294
7	Cornerstone Health Care²	healthcare	1,246
8	High Point University	secondary education	1,105
9	Aetna	insurance/customer service	805
10	Solstas Lab Partners²	medical laboratory services	779
11	TE Connectivity²	electronics manufacturing/distribution	733
12	Advanced Home Care²	healthcare	623
13	Banner Pharmacaps	pharmaceutical manufacturing	583
14	NCO Group/APAC Customer Service	customer service	550
15	New Breed Logistics	distribution networks/logistics IT	544
16	Sears Product Services Marketing Center	customer service	422
17	North State Communications²	communications utility	360
18	Guilford County²	local government	358
19	Marsh Furniture Company	cabinet manufacturing	346
20	Harland Clarke Corp.	check manufacturing/distribution	298

¹ This listing reflects "full-time equivalent" numbers for High Point-based employees as of December, 2012. Although two major High Point employers chose not to participate in this survey, each reported job numbers on 2012 city business license forms: 591 for the two Walmart SuperCenter stores and 453 for three locations of Slane Hosiery Mills. It is not known where, or if, these companies would have ranked on this listing since their business license numbers are not necessarily "full-time equivalent."

² These organizations have multiple locations in the Piedmont Triad area. The numbers shown reflect High Point-based employees only.

Source: High Point Economic Development Corp. survey

High Point's MSA earns southern economic development recognition in 2012

The Greensboro-High Point Metropolitan Statistical Area was named "Mid-Market of the Year" for 2012 by *Southern Business and Development* magazine.

The publication's designations are based on announced projects that exceeded 200 jobs or \$30 million in capital investment.

High Point earns 2012 competitive business award

In October 2012, ElectriCities – for the fifth year in a row – presented High Point with its Public Power Award of Excellence in the "competitive business environment" category due to the City's economic development successes.

High Point Economic Development Corporation

2012 BOARD OF DIRECTORS

The High Point Economic Development Corp. is a public/private partnership that is also a department of city government. Its board is made up of business, educational, and governmental leaders.

The 2012 officers include Chairman Charles Cain, First Vice Chairman Leah Price, Second Vice Chairman Ken Smith, and Treasurer/Secretary George Clopton.

Directors

HIGH POINT CITY COUNCIL APPOINTEES

- **Lee Boone**, Samuel Lawrence Furniture
- **Phil Fowler**, Geneva Corp.
- **Steve Holcombe**, TransTech Pharma
- **Annie Tyson Jett**, B&C Associates
- **Ralph Wear**, Ralph Lauren Corp.

CITY OFFICIALS¹

- Mayor **Becky Smothers**
- Mayor **Bernita Sims**, BPR Properties
- Councilman **Chris Whitley**, S. E. Whitley and Son
- Councilman **Jason Ewing**, eXp Realty
- City Manager **Strib Boynton**
- HPEDC President **Loren Hill**

HIGH POINT CHAMBER OF COMMERCE OFFICIALS

- **George Clopton**, Ralph Lauren Corp.
- **Kelly Sain**, BB&T

HIGH POINT PARTNERS APPOINTEES

- **Charles Cain**, Banner Pharmacaps
- **Maurice Hull**, Marketplace Management
- **David Miller**, D.S. Miller, Inc.
- **Leah Price**, BB&T
- **Ken Smith**, Smith Leonard
- **Scott Tilley**, Merrill Lynch/The Tilley Group

Past Chairmen

- **Owen Bertschi**², Crescent Ford
- **Don Cameron**², Don Cameron & Associates, LLC
- **Bill Horney**, Mirro Products (retired)
- **Bill McGuinn**, First Citizens Bank (retired)
- **Jeff Miller**², High Point Regional Health System
- **Jim Morgan**, Morgan, Herring, Morgan, Green & Rosenblutt Attorneys
- **Nido Qubein**, High Point University
- **Coy Williard**, Williard-Stewart

Liaisons

GOVERNMENTAL OFFICIALS¹

- North Carolina General Assembly: State Representative **John Faircloth**, Coldwell Banker Triad
- High Point City Council: Councilman **A.B. Henley**, RealtyAnalytix Advisors
- Guilford County Board of Commissioners: Commissioner **John Parks**, Price and Associates; Commissioner **Hank Henning**, Brady Services
- Guilford County Manager **Brenda Jones Fox**

ECONOMIC DEVELOPMENT ALLIES

- High Point Market Authority President **Tom Conley**
- The City Project, Inc., Chairman **Aaron Clinard**, Clinard Consulting
- High Point University Vice President for Community Relations **Don Scarborough**
- Guilford Technical Community College President **Randy Parker**
- High Point Convention & Visitors Bureau Chairman **Kevin Archer**

¹ In December 2012, four outgoing public officials ended their HPEDC board service: Mayor Smothers, Councilman Whitley, Councilman Henley, and Commissioner Parks. Three newly-elected officials joined the HPEDC board: Mayor Sims, Councilman Ewing, and Commissioner Henning.

² The three-most-recent past HPEDC chairs – Bertschi, Cameron, and J. Miller – serve as voting directors. Earlier past HPEDC chairmen serve as non-voting members.

HPEDC Staff

- **Loren Hill**, president
- **Sandy Dunbeck**, senior vice president
- **Beverly Tedder**, information services and research director
- **Billie Marsh**, executive assistant



High Point Economic Development Corporation

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