

ECONOMIC DEVELOPMENT
AND INNOVATION



Annual Report FY2021

raleigheconomicdevelopment.com





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Introduction

Three words come to mind as a reflection on the last year: Resilient, Restorative, and Refocused!



More work is ahead as we invest efforts to gain ground lost due to the pandemic. The City of Raleigh is in that journey alongside each of you. As we closed fiscal year 2021 and look to fiscal year 2022, we continue to assess ways to build upon our resiliency, work on restoring strength, and doing so by refocusing equitable economic development. One place you will see these 3Rs is under the leadership of Marchell Adams-David, City Manager, whose

vision included merging Raleigh ED&I with the Community Development division of the Department of Housing and Neighborhoods. Combining these two teams creates a newly formed Division of Community and Economic Development that aligns and solidifies both units for the greater good of community businesses, housing, as well as the City of Raleigh as a government entity.

In addition to hiring a new city manager, the City of Raleigh has welcomed new Assistant City Manager, Evan Raleigh (yes, last name 'Raleigh' just like our beloved city). Mr. Raleigh brings a wealth of experience leading community and economic development. Mr. Raleigh will build upon the resiliency by working to strengthen and refocus equitable economic development.

In the FY21 Economic Development Annual Report you will read stories of resilient, restorative, and refocused businesses, Raleigh Business Alliances, and economic development partners. Highlights include the Wish You Were Here hyperlocal media campaign to stimulate safe recreation and tourism activities, the City being awarded a grant from US Ignite and Facebook Labs to host Augmented Reality (AR) Developer Challenge Competitions, and continuing to support the growth of small businesses thanks to the success of the Building Up-fit Grant.



"Resilient, Restorative, and Refocused!"



Business Alliances

Raleigh's smart and vibrant business alliances are a diverse, committed group of community leaders who support business and economic development success in specific geographies or with specific demographics of businesses. In total, the 12 alliances cover the city geographically and virtually.

Alliance Partners Provide Innovative Programs and Opportunities to Support Business

#BlackDollarNC continues to grow thanks to its CEO, Johnny Hackett, who was named a 40 Under 40 award winner by the Triangle Business Journal in May 2021. #BlackDollarNC opened the Black Friday Market in downtown Raleigh in December 2020. The location was created as a space where Black-owned businesses can thrive during a low-point in America's economy. The pop-up space, found at the corner of Hargett and Salisbury streets, is a collaborative effort between the Downtown Raleigh Alliance and the Black Flea Market. In addition to the market, #BlackDollarNC launched the Shopper's Block Shopping series that elevated local Black businesses in the industries of fashion, entertainment, and food.



Jennifer Martin, Executive Director of Shop Local Raleigh and Johnny Hackett, Chief Executive Officer of #BlackDollarNC

Blue Ridge Corridor Alliance (BRCA) hosted a webinar and administered a survey to highlight the state of tourism in west Raleigh. Both the survey and webinar were hosted virtually to tourism professionals and residents in west Raleigh. This initiative provided a deeper understanding of the needs and pandemic takeaways in this specific area heading into a post-COVID world.

Downtown Raleigh Alliance (DRA) has provided several new efforts to support small businesses located in downtown Raleigh that needed assistance due to both the pandemic and civil unrest. DRA conducted two rounds of the Duke Energy Storefront Revitalization Grant, a grant program designed to assist storefront businesses in making repairs and pivoting operations to be resilient during the pandemic economy. In total across both rounds, DRA awarded \$375k in funds to 97 downtown storefront businesses. They also launched the Pop-Up Downtown Raleigh grant program in Q3 of FY21 to help fund and attract new pop-up storefront businesses to downtown Raleigh with a focus on funding women-owned and minority-owned businesses. DRA produced several promotional and marketing initiatives including a We Are Downtown Raleigh video series, Small Business Resilience video series, targeted blog posts, new Online Shopping Directory webpage, Downtown Raleigh Restaurant Week, small-scale events and activations like Illuminate Art Walk, and an Instagram Live video campaign.

Hillsborough Street Community Service Corporation (HSCSC) provides creative and innovative programs to increase engagement with businesses along Hillsborough Street. To continue doing so during the pandemic, HSCSC introduced several new programs in 2020. Beginning in October 2020, HSCSC began the Hillsborough Street Dollars Gift Card program, a digital e-gift card that helps keep money within the district boundaries. Over the first nine months of the program, nearly 500 gift cards were sent out, valued at \$7,340 total. Also, in October of 2020, HSCSC launched the Super Hero Spotlight Campaign. This project, created in partnership with Artsposure and local graphic artist Charnel Hunter, highlighted nine woman- and/or minority-owned small businesses to show off how they are everyday superheroes in the community. HSCSC also started a holiday program during winter 2020. This program included HSCSC giving string lights to businesses to encourage passive visits to the street. Merchants reported seeing new customers thanks to the displays. HSCSC also began a bus shelter art program. This program was created to bring public art to the district in a unique way as well as lay the groundwork for future public art projects.

Midtown Raleigh Alliance held a series of virtual events focused on economic and business recovery. Tara Robbins, Executive Director of Midtown Raleigh Alliance provided attendees with subject matter experts across various disciplines to communicate how the pandemic was affecting different aspects of community operations. Through three virtual events, Midtown Raleigh reached over 125 of their members.

A huge thank you to Five Points Business District Association, Glenwood South Neighborhood Collaborative, NC Hispanic Chamber of Commerce, Person Street Partnership, Raleigh Chamber, Raleigh LGBTQ+ Chamber, Shop Local Raleigh and Triangle ArtWorks for their collaboration to support the success of small businesses and economic development in Raleigh, especially during the uncertainty of the pandemic.

Business Alliances Collaborate on Wish You Were Here Hyperlocal Media Campaign

Several business alliances, along with Raleigh ED&I and the Greater Raleigh Convention and Visitors Bureau, delivered a hyperlocal marketing campaign called "Wish You Were Here". The purpose of the campaign was to safely promote and speak in a unified voice about the hospitality and tourism industries, in the Raleigh region, that impact revenue and boost the economy. Ads were placed in diverse print media including The Triangle Tribune, Que Pasa, The Downtowner, and Indy Week from October 2020 to March 2021. Activities such as riding a bike on one of Raleigh's greenways, dining out on Glenwood South, or attending an outdoor Black market were promoted.



From left to right: Mark Weldon, City of Raleigh; Veronica Creech, City of Raleigh; Kelly Shrader, artist and banner contest winner; Rich Gurnsey, artist and banner contest winner; Amanda Driscoll, City of Raleigh



Small, Minority, and Women-owned Business

The City of Raleigh is committed to fostering the growth and sustainability of small businesses, often referred to as the cultural soul of Raleigh. Raleigh ED&I serves as an ally for small, minority, and women-owned businesses through the community in collaboration with the 12 business alliances.

Building Up-fit Grant Sees Success in FY21

28 Grants Awarded

\$628,171 Awarded

209 Estimated New Jobs

39% Women-Owned

57% Minority-Owned

96% Priority Area for Economic Development

89% Near Transit

Industries Represented Include: Retail, Restaurant, Events/Entertainment, Healthcare, Fitness, Specialty Manufacturing, Technical Training (trades), Professional Services, Offices, Grocery Stores

Small Business Expo Held Virtually

The 23rd Annual Raleigh Small Business Expo, held virtually, attracted over 105 participants and 44 vendors. A welcome message was provided by Veronica Creech, Director of Economic Development at the City of Raleigh. Dione Griffin-McGee, President and CEO of DG McGee Enterprises, discussed development for small businesses. Tony Jackson, owner of The Real Money Coach spoke about the importance of financial wellness for entrepreneurs. Attendees learned how to become a HUB and DBE certified business and received information about upcoming construction projects and service contracts.

Raleigh ED&I Sponsors Local Business Events

Raleigh ED&I was a proud sponsor of Black Dollar as a Founding Partnership Sponsor, the 2021 Carolina Small Business Development Fund Black Entrepreneurship Week and 2021 Small Business Month Awards, as well as the 2021 UNC Minority Conference.

Rankings:

#4 **Best Place for Veterans to Live**

WalletHub | November 2020

#12 **on 'Best Places for Women Entrepreneurs' list**

SmartAsset | December 2020

#7 **Best Place to Start a Business in the U.S.**

WalletHub | April 2021



**WISH YOU
WERE HERE**

RALEIGH, N.C.

Entrepreneurship & Innovation

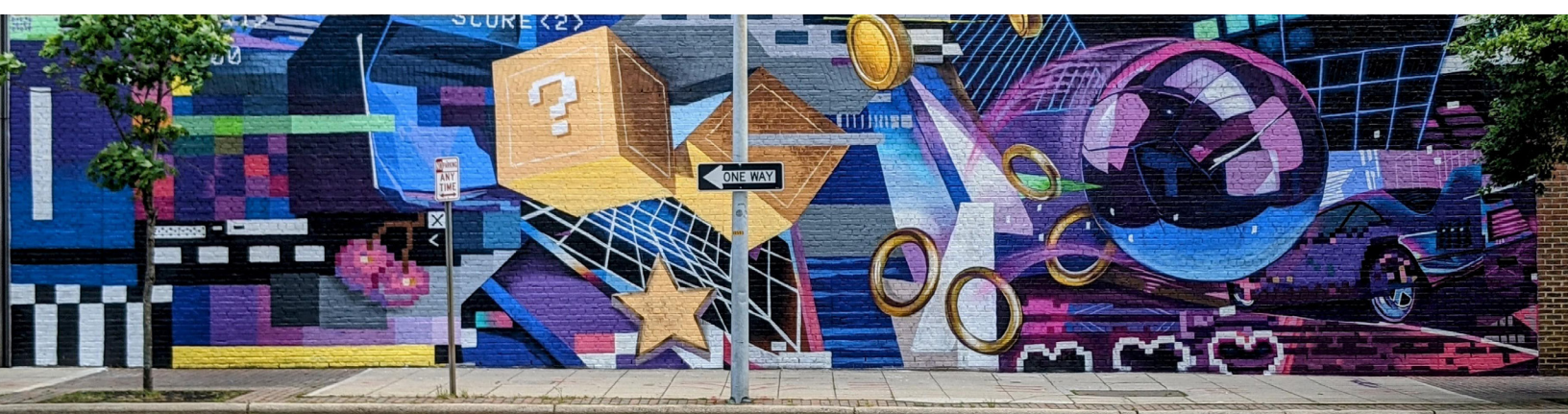
The City of Raleigh is a partner in creating a diverse and equitable economy for businesses to start, innovate, and grow in our region. Raleigh ED&I cultivates innovation and entrepreneurship through strategic partnerships, collaborations, and grant opportunities.

Impact Partner Grant Awarded to Support the Arts

The COVID-19 pandemic impacted many business sectors and communities due to restrictions and in-person event limitations. One profession that may not immediately come to mind involves the Arts - including various styles of art, music, performances, and other engaging experiences for the community. In response, the City of Raleigh focused its Fall 2020 Impact Partner Grant cohort on creating local artistic experiences to create community interest, engagement, and foot traffic across various business districts. This work leverages City partnerships with many local Business Alliances and the Raleigh Convention & Visitors Bureau where the "Wish You Were Here" promotional campaign was launched to keep the city of Raleigh top of mind.

Seven Business Alliances were awarded a total of \$92,434 in Impact Partner Grants to help fund 14 projects across the City. Projects include new banners, murals, a light installation, landscape art, artistic benches, collaborative community participation art projects, and a digital visitor experience. These projects will enhance the already unique and vibrant culture of Raleigh and our small business community. The banner project at Midtown, and the Downtown Raleigh Alliance mural are complete, and the rest are expected to complete later in calendar year 2021. The City of Raleigh is proud to partner in such projects that attract interest from locals and visitors alike, while at the same time providing a valuable economic lifeline to many professional creators in Raleigh's Art community.

Agency	Project	Grant \$	Total Project \$
Blue Ridge Corridor Alliance	Arts Destination Website	\$15,000	\$30,000
Midtown Raleigh Alliance	Pole Banners	\$5,540	\$8,080
Downtown Raleigh Alliance	Gaming Art Installation	\$10,000	\$20,000
Glenwood South Neighborhood Collaborative	Murals	\$21,795.50	\$41,439.50
Hillsborough Street CSC	Rain Garden & Mural	\$20,000	\$40,000
Person Street Partnership	Benches & Mural	\$11,480	\$12,000
Five Points Business District Association	Murals	\$10,357.50	\$20,715





Visit Raleigh, Airbnb Partner to create Raleigh's City Portal

Announced in September 2020, Raleigh is among 15 pilot cities where Airbnb is launching its new City Portal. The City Portal platform offers City of Raleigh staff local and global Airbnb data insights into short-term rental market characteristics and remitted tourist tax revenue and industry-first compliance tools to help government officials develop and manage fair short-term rental policies and regulations. The portal also offers a central location for resources such as the Airbnb Neighborhood Support hotline and Law Enforcement portal and direct access via City Portal to an Airbnb team member, providing one-to-one support with City Portal or issues that arise locally.

City Awarded Funding to Execute AR/VR Challenge with RIoT, Town of Cary

The City of Raleigh, in partnership with the RIoT, Town of Cary, and Google Fiber, was named a recipient of the US Ignite and Facebook Reality Labs \$20k grant to host Augmented Reality (AR) Developer Challenge Competitions. The purpose of the competitions is to challenge makers and creators to improve the Raleigh community with augmented reality in one of three ways: 1) Improve inclusivity and accessibility for city programs & services; 2) Reinvent the Raleigh Convention Center for economic impact; and 3) Drive workforce development for the data economy. Several teams pitched their augmented reality ideas but only six were selected to engage in a 12-week project sprint to further develop their projects before competing for a chance to win \$40k and spot in the RIoT Accelerator Program.

The following businesses were chosen to participate in the Final Pitch:

- BlueCareer by BlueRecruit
- OurTown: Raleigh by DOUBTLESS
- CyreneQ
- LiRA
- NatureXR
- Wild Portals - An Unconventional Raleigh-ty



Rankings:

- #7** **Metro with the Best Startup Ecosystems**
(Raleigh-Durham, NC) Business Facilities | July 2020
- #5** **City for STEM jobs** STEM
dex | August 2020
- #6** **Best City in the U.S. to Live when Working Remote**
Rocket Homes | February 2021



Workforce Development

Raleigh ED&I supports community workforce development efforts that encourage business growth to create a competitive edge in the regional market. Collaboration with academia, businesses, Capital Area Workforce Development, and community leaders drive the understanding of specific needs of existing and emerging industry and facilitate talent initiatives to address those needs..



Raleigh ED&I works closely with area workforce development leaders and partners. One example of this collaboration in FY21 is how our team worked with Wake Tech Community College in communicating and marketing the Wake Works apprenticeship program. Additionally, the City of Raleigh is reviewing its own diversity in recruitment process to vet for the compatibility of apprentice gaining valuable workforce skills by filling City of Raleigh positions. Commitment to this exploration is guided in the City's FY21 – 25 Strategic Plan under the Economic Development and Innovation pillar.

Similarly, the City awarded grant funds to the Capital Area Workforce Development Board and Wake County Economic Development for the development, administration, and analysis of a survey of regional employers. The goal of the survey was to provide a better understanding of employers' future hiring trends and skills needs. The survey was conducted by RTI International and included partnering with several trade associations, industry partners, Chambers, and economic development partners across the region.

Rankings:

#10

Among metros as hub for 'Tech Talent'

LinkedIn | July 2020

#3

Most Resilient Tech Hubs in America

LinkedIn | June 2021



Business Recruitment, Expansion, and Retention

Raleigh ED&I seeks to encourage the creation, retention, and expansion of new and/or existing businesses and jobs in the city of Raleigh. In collaboration with County and State agencies, the City offers incentives for jobs and capital investments. Enhanced incentives are offered for businesses who locate in priority areas of economic development.



67
projects
recieved

11.3k
potential
jobs

\$5.3b
potential
investment

Announcements by Industry



Professional Services 2



Software/IT 4



Hospitality/Retail 6



Life Sciences 13

ooo

Others 35

*Other includes various announcements in clean tech, advanced manufacturing, construction, engineering, defense technology, consumer products, and others.

Notable Announcements:

SinnovaTek opens 'first of its kind' precision-scale aseptic food facility

SinnovaTek, a Raleigh based food technology company, has opened FirstWave - a first of its kind precision-scale aseptic food co-packing facility. According to the article, the facility enables companies and entrepreneurs to launch and test new products in a high-quality, high acid and low acid aseptic format without the need for minimum order quantities. The company stated, "to support entrepreneurs in the food industry, FirstWave can assist with every step of the process from concept to store shelf."

GoTriangle tower in Downtown Raleigh Secures Funding

The Triangle Transit Authority has secured federal funding for its bus station and mixed-use tower project in downtown Raleigh. The property is situated on 1.76-acres at 200, 206 and 210 S. West Street across from The Dillon in Raleigh's Warehouse District. The tower will be up to 40 stories tall with a bus station, retail space, apartments, and affordable housing. GoTriangle's actual demolition and construction of the building will begin in 2022.

New cocktail lounge, Killjoy, opens in downtown Raleigh

Killyjoy, a cocktail lounge, located across from Clouds Brewing Company on N. West Street opened in July. Although the plan was to open the cocktail lounge in March, the owners creatively started a cross-town cocktail program with mocktails to go. Killyjoy is now seating guests through online reservations while adhering to safe social distancing guidelines.

Raleigh's North Hills announces \$1B innovation district

Kane Realty is raising innovation in North Hills. According to the article, Kane Realty will build a mix of natural space, walking trails, 18-story office tower, apartments, and a two-story "food hall" covering 20,000 square feet. The project is planned to attract tech companies, startups, and the entrepreneurial spirit.

Park City South development announced

A new mixed-use development near Dix Park is coming to Downtown Raleigh. The Park City South project will include a 20-story tower, 10-story residential building, retail space, and more. Merge Capital has partnered with Kane Realty on the project. Chris Woody, managing principal of Merge Capital, states they are excited to partner with Kane Realty and are thrilled that they care about Raleigh as they do.

Cambridge Design Partnership opens R&D center, US headquarters in Raleigh

Cambridge Design Partnership announced that it has opened their research and development US headquarters in Raleigh. The office is located at 801 West Morgan Street and is hiring for several positions. Cambridge chose Raleigh for its headquarters location "due to the existing biomedical innovation sector, access to regional, national and international transit, and the availability of talent".

Notable Announcements:

FastMed moves into new HQ digs in downtown Raleigh

FastMed Urgent Care opened its corporate headquarters April 3, 2021 in downtown Raleigh. The location offers 3,500 sqft urgent care clinic and 16,300 sqft of office space. "We were in Clayton for a long time but it's fun to be in an urban environment," Gray said. "This exciting energy is what we have been looking for in the next phase of our company."

Inceptor Bio launches advanced manufacturing platform to treat cancers

Inceptor Bio announced it has raised \$26 million to be put toward the launch of its AMP+ advanced manufacturing platform. The platform uses "cell- and gene-based therapies to treat the most stubborn cancers," reports WRAL Techwire. "The products being developed by Inceptor Bio will have a profound impact on the lives of many cancer patients," said Frank Lis, ventures president and chief executive officer of Kineticos, in a news release.

Raleigh's Transfer Co. launches coworking space for fledgling startups

In October, Raleigh's Transfer Co. opened its co-working space for small, early-stage startups. Jason Queen, co-founder of Transfer Co., states that "Our [co-working space] is focused on incubation and those first stages of growth for startups – getting them off the ground and giving them the infrastructure they need." With the launch of Transfer Co. Work Hall, the food hall has added 4,000-square-feet of space.

Rankings:

#10

in the nation for life sciences industry

JLL | 2020

#5

Most Affordable Metro in North America

Oxford Economics | May 2021

#6

City for Ease of Doing Business in North America

ASU DBna | October 2020



