



WHERE IT STARTS

WINSTON-SALEM, NC

QUARTERLY REPORT

Q2 2020



WINSTONSALEM.COM



INMAR IN THE INNOVATION QUARTER

W-S WHERE IT STARTS

- 02 UPS FLIGHT FORWARD
- 03 THE VARIABLE-TOP 100 INNOVATOR
- 04 MOVING IN UNDER THE STACKS
- 05 BAILEY SOUTH
- 06 COMMUNITY STATISTICS
- 07 COVID-19 INDICATORS
- 08 COVID-19 RELIEF GRANTS
- 09 TRULIANT AT HANES MALL: A MULTI-USE FUTURE
- 10 EDUCATION UPDATES
- 11 MEET LAURA JOHNSON LEE
- 12 PRESIDENT'S LETTER

DON'T MISS:

PAGE
2

DRONE DELIVERY
INDUSTRY TAKES OFF IN
WINSTON-SALEM

PAGE
11

Q&A WITH OUR SENIOR
VP OF ECONOMIC
DEVELOPMENT

HISTORIC FLIGHT

A UPS DRONE MAKES ITS FIRST DELIVERY AT WAKE FOREST BAPTIST HEALTH ON JULY 14.



FLIGHT FORWARD

UPS LAUNCHES A FIRST-OF-ITS-KIND DRONE DELIVERY SERVICE IN WINSTON-SALEM

Wake Forest Baptist Health and its healthtech business enterprise iQ Healthtech Labs, launched a drone delivery service operated by UPS and its subsidiary, UPS Flight Forward (UPSFF) at Wake Forest Baptist Medical Center. The first flight took place on July 14.

The flight signified a new innovation in the drone delivery industry, as it was the first launch of a hub-and-spoke delivery model. Wake Forest Baptist Health will use multiple flight paths and delivery locations - a nationwide first.

This collaboration with UPS, through UPS Flight Forward, will provide a rapid delivery option for time- and temperature-sensitive medical supplies as well as personal protective equipment (PPE).

Initially, the drones will operate on two routes, with a phased approach planned to allow the program to expand. Drones will carry scheduled deliveries of specialty infusion medicines, which are time-sensitive and patient-specific.

“Increasing efficiency of our supply chain routes helps provide better service to our patients and their families,” said Conrad Emmerich, chief supply chain officer at Wake Forest Baptist Health. “Partnering with UPS Flight Forward through our iQ Healthtech Labs opens new doors for us to do just that through drone delivery.”

As part of the partnership, a UPS Flight Forward office will be established in the iQ Healthtech Labs suite in the Innovation Quarter’s Bailey Power Plant.

LOCAL COMPANY EARNS GLOBAL RECOGNITION

THE VARIABLE IS RECOGNIZED FOR INNOVATION AMONG COMPANIES LIKE GOOGLE AND AMAZON.

The Variable has been ranked on *Fast Company's* list of Best Workplaces for Innovators alongside companies like Google, Amazon, and Pepsi. The worldwide ranking recognizes companies for their forward-thinking culture.

The Variable, which has been

named an *Ad Age* Small Agency of the Year three times, also develops new products and brands including Sunshine Beverages.

The ranking signifies that Winston-Salem's locally-based companies and talent are world-class, and further solidifies the

city's growing recognition as a leading mid-sized city for innovation and startups.

Since September 2018, The Variable has doubled its team size, and is currently moving into new offices at Bailey South in the Innovation Quarter.

PITCH-SPACE

Flywheel announced the launch of a new business service called Pitch-Space.com designed to facilitate the connection between startups and investors. The website features a library of pre-recorded pitches and information on early, seed and growth-stage companies.

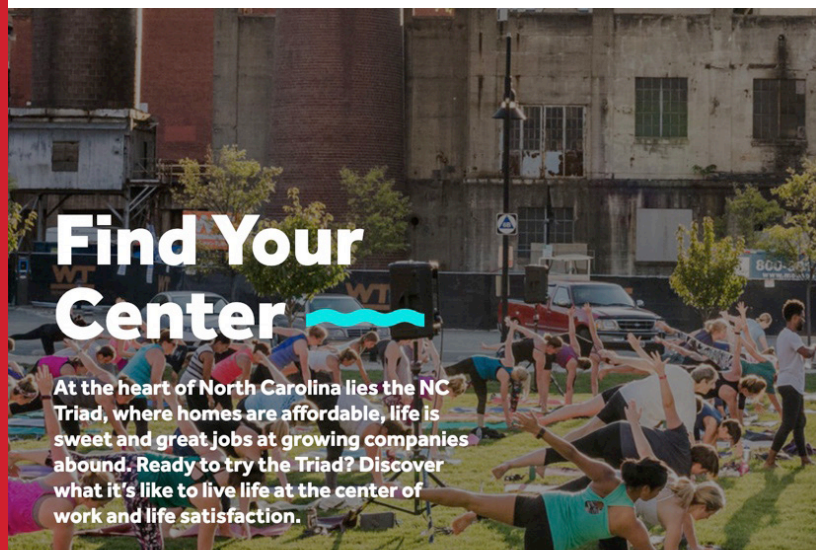
PITCH-SPACE.COM



FIND YOUR CENTER

A new economic development initiative offers employers a place to find recruitment information covering the 12-county Triad region. Find Your Center NC offers relocation information, a jobs board, and more. The effort is backed by the Piedmont Triad Regional Council, a strategic partner of the NC Carolina Core.

FINDYOURCENTERNC.COM



MOVING IN UNDER THE STACKS

THE INNOVATION QUARTER ANNOUNCES THREE NEW RETAIL TENANTS AT THE LINK APARTMENTS @ IQ

PHOTO: DANIEL AMICK PHOTOGRAPHY



CYCLE YOUR CITY

Cycle Your City is a bicycle accessory and repair shop that has been in Winston-Salem since 2015. They signed a lease for a 1,280-square-foot space. The company will sell new bikes and equipment and make repairs.

DeBEEN ESPRESSO

DeBeen Espresso will serve coffee, gelato, and baked goods, and will occupy a 1,363-square-foot space. This is their second location. Their original location in High Point was established in 1997.

THE BUTCHER'S BLOCK

The Butcher's Block serves high-quality meats and seafood at affordable prices, along with other North Carolina products. This will be their second location, and they will occupy a 3,840-square foot space.

BAILEY SOUTH

INNOVATION QUARTER'S NEWEST DEVELOPMENT NEARS COMPLETION

Bailey South, a 75,000 square-foot redevelopment in the heart of the Innovation Quarter, is nearing completion. Combining 10,000 square feet from the historic RJ Reynolds Tobacco power plant with 65,000 of innovative new design, it marks the final major renovation of the existing RJR infrastructure that has been

redeveloped into the Innovation Quarter.

Bailey South stands 5 stories tall and features 5,000 square feet of rooftop decks and 4 courtyards. It is being developed by Front Street Capital and leased through Linville-Team Partners.

TENANTS:

- THE VARIABLE
- FRONT STREET CAPITAL
- BLACK MOUNTAIN CHOCOLATE
- RESTAURANT BY TRAVIS MEYERS AND RYAN OBERLE

14K

SQ FT OF AVAILABLE
OFFICE SPACE

20K

SQ FT OF AVAILABLE
RETAIL SPACE

60%

PRE-LEASED



**LOOKING FOR OFFICE SPACE
IN WINSTON-SALEM?**

**FIND COMMERCIAL REAL
ESTATE LISTINGS HERE.**

COMMUNITY STATISTICS

WINSTON-SALEM/FORSYTH COUNTY

POPULATION



TOTAL POPULATION
2020



10-YR POPULATION GROWTH



MEDIAN AGE

WORKFORCE & TALENT



TOTAL LABOR FORCE
JUNE 2020



WHITE COLLAR JOBS



ASSOCIATE'S DEGREE
OR HIGHER

JOBS BY INDUSTRY

EDUCATION &
HEALTH SERVICES



30%
57,623

TRANSPORT,
TRADE & UTILITIES



18%
33,909

PROFESSIONAL &
PERSONAL SERVICES



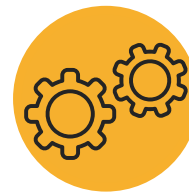
15%
29,447

LEISURE &
HOSPITALITY



11%
21,604

MANUFACTURING



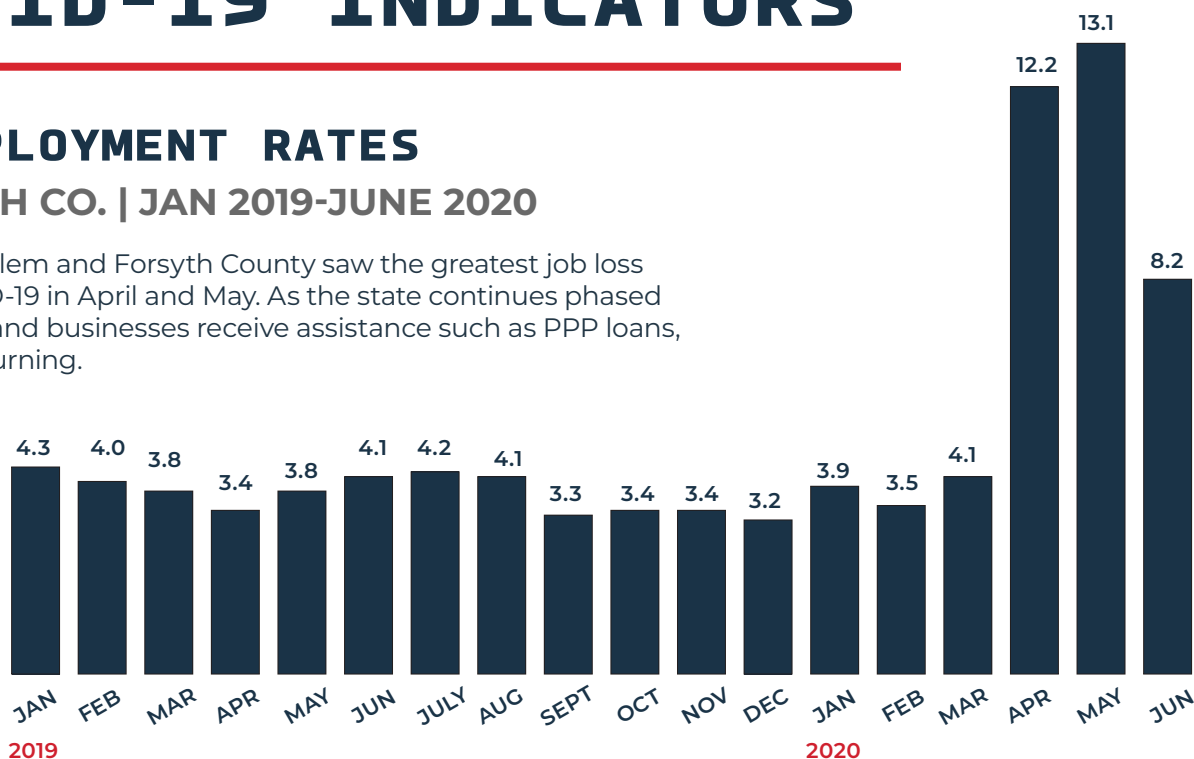
9%
16,397

COVID-19 INDICATORS

UNEMPLOYMENT RATES

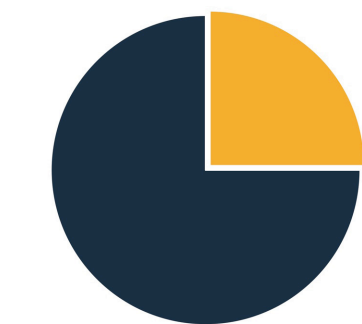
FORSYTH CO. | JAN 2019-JUNE 2020

Winston-Salem and Forsyth County saw the greatest job loss from COVID-19 in April and May. As the state continues phased reopening and businesses receive assistance such as PPP loans, jobs are returning.

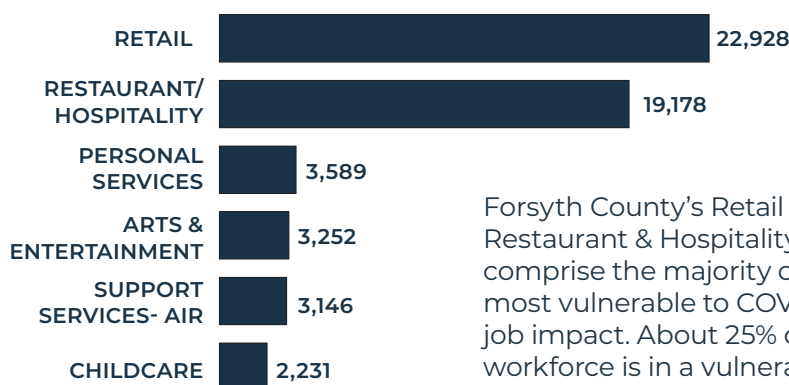


SOURCE: BUREAU OF LABOR STATISTICS

VULNERABLE INDUSTRY EMPLOYMENT



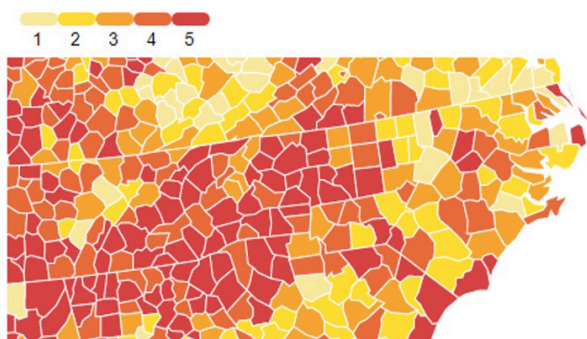
■ COVID-19 AT-RISK EMPLOYMENT
■ OTHER EMPLOYMENT



Forsyth County's Retail and Restaurant & Hospitality sectors comprise the majority of jobs most vulnerable to COVID-19 job impact. About 25% of the workforce is in a vulnerable sector.

SOURCE: JOBS EQ, 2019 EMPLOYMENT

COVID-19 VULNERABILITY INDEX



3

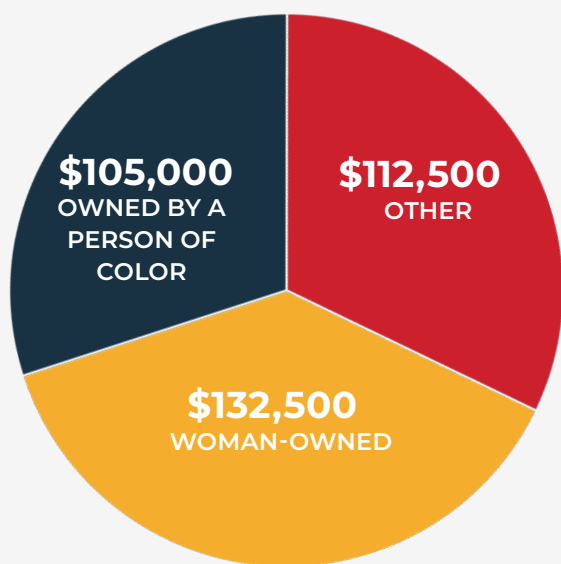
FORSYTH COUNTY

Deloitte Insights categorized counties on a 1-5 scale according to their vulnerability for COVID-19 economic impact. Forsyth County falls in the middle at a level 3.

SOURCE: DELIOTTE INSIGHTS

COVID-19 RELIEF GRANTS

QUICK LOOK:



GRANTS AWARDED



MINORITY & WOMEN-OWNED RECIPIENTS

[CLICK HERE TO VIEW RECIPIENTS](#)

DOZENS OF FORSYTH COUNTY SMALL BUSINESSES RECEIVE A TOTAL OF \$350,000 IN COVID-19 RELIEF ASSISTANCE

A total of 87 businesses have been awarded a Small Business Relief Grant through a program coordinated by Greater Winston-Salem, Inc. and the Downtown Winston-Salem Partnership.

The grant program was initiated to assist local small businesses in the recovery of the COVID-19 pandemic. Special consideration for funding included businesses owned by women and people of color.

A selection committee comprised of volunteer stakeholders reviewed over 200 applications and awarded grants based upon careful consideration of needs.

Funding was provided by Wendy and Mike Brenner, the Downtown Winston-Salem Partnership, Forsyth County, Greater Winston-Salem, Inc., the Millennium Fund, Claire and Randall Tuttle, the Wells Fargo Foundation, and the Winston-Salem Foundation.

While this is a promising start, it's clear that the pandemic has created an ongoing need for business assistance. Additional grants will be awarded based on funding received.

Donation information is available at winstonsalem.com/grants or by calling 336-728-9200.



A MULTI-USE FUTURE

TRULIANT'S HANES MALL EXPANSION CONTINUES A TREND IN MULTI-USE OCCUPANCY

To accommodate its fast growing needs for additional space, Truliant Federal Credit Union announced that it has purchased the 154,000 square foot former Macy's retail store space at Hanes Mall, which is nearby the company's current Winston-Salem headquarters.

"We chose to invest in this space as a way to more quickly and economically address our

expansion needs," said Truliant President and CEO Todd Hall. "We will become a viable contributor of mixed-use space to the Hanes Mall complex. This means that we will be assisting in efforts to bring commercial, cultural, institutional, and retail establishments together in a productive utilization of space."

The purchase echoes Novant Health's acquisition of the former

Sears department store at the other end of the mall in 2018.

The growing, \$3 billion credit union will not ask for abatements or incentives.

Truliant estimates more than 550 employees could be housed at the location. Planning for the design of the space is currently underway.

EXPANSION UPDATE: PURPLE CROW

Winston-Salem based Mexican food distributor, Purple Crow, has embarked on a significant expansion of its local operations. The company has been based locally since 1995, and is expanding its existing Lowery Street headquarters. Here's a look at the company's economic impact:

\$13M

**CAPITAL INVESTMENT
OVER 5 YEARS**

54

**ESTIMATED NEW JOBS
WITH THE PROJECT**

186

**CURRENT
WORKFORCE**

EDUCATION UPDATES

A PLACE OF PROMISE



Forsyth Tech has launched a new brand and logo, along with the tagline, **“A Place of Promise”**

More than 1,600 individuals provided input to help build a clear concept of who and what Forsyth Tech is, and who the college strives to become.

“What we heard is that Forsyth Tech is an inclusive, accepting and supportive environment that connects students to opportunities, creating personal prosperity and community vibrancy,” said Forsyth Tech President Dr. Janet Spriggs.

PROGRAM FEATURE:

COLLEGE LIFT

Forsyth Tech has launched the College Lift program for economically underserved middle and high-school students in Forsyth County. The program was started in Winston-Salem three years ago under the direction of the non-profit Piedmont Renewal Network (PRN), started by Logan Philon, who will

now run the program for Forsyth Tech. Students take part in a Weekend Academy program beginning in the 6th grade, and are provided one-on-one tutoring and counseling. When they graduate, qualified students receive scholarships to attend college tuition free.

CAROLINA UNIVERSITY

NEW NAME ANNOUNCED FOR PIEDMONT INTERNATIONAL UNIVERSITY



CAROLINA
UNIVERSITY

The Piedmont International University Board of Trustees has voted to change the University's name from Piedmont International University to Carolina University. University leaders began discussing ideas for a new name in April 2019 and engaged in a series of consultations with stakeholders including students and alumni. The decision to rename the university reflects the fact that it has its historical origins in the Carolinas, having been founded as the Piedmont Bible Institute in Winston-Salem in 1945.

The university currently offers a range of undergraduate and graduate programs including Business Administration, Criminal Justice, Elementary Education, Nursing, an MBA, a Master of Divinity program, and more.

MEET LAURA

Q&A WITH GREATER WINSTON-SALEM, INC.'S SENIOR VP OF ECONOMIC DEVELOPMENT

Following a nationwide search, Greater Winston-Salem, Inc. is pleased to announce Laura Johnson Lee as the organization's Senior Vice President of Economic Development. Laura leads a division whose charge is to recruit new business and industry, develop new businesses, and support existing businesses with retention and expansion needs. Get to know Laura by reading on for a few Q&A's, or reach out to her directly at laura.lee@winstonsalem.com.

Q: What is one of the things you are most looking forward to as you take on your new role?

A: Collaboration. I am eager to partner closely with our business community and City and County partners to match their goals for Winston-Salem and Forsyth County. Being inclusive in economic development is the only successful way to move a community forward, and one of the advantages I believe this city has is a commitment to working together. I am excited to be a part of those efforts.

Q: How does COVID-19 impact economic development efforts in Winston-Salem?

A: COVID-19 has challenged a traditional approach to economic

development. We are faced with an unprecedented opportunity to capitalize on our strengths and pivot to new platforms to showcase our county and to lead us into a strong economic recovery.

Mid-sized metros like Winston-Salem are growing in appeal as a result of the pandemic, increasing our opportunity to attract talent and bring innovative companies and startups here.

At the same time, our community has shown strength in supporting existing businesses through undeniably hard times, and our local municipalities and Chambers of Commerce are on board with programs to bring relief funding, PPE, and other help.

Q: What do you like to do in your free time around Winston?

A: Since moving back to town, my husband and I have enjoyed getting reacquainted with the community! We especially enjoy the options for outdoor dining downtown. Of course, as an alumnus, I can't fail to mention cheering for Wake Forest sports, even if that will take place socially distanced for a while longer!



LAURA JOHNSON LEE

SENIOR VICE PRESIDENT
OF ECONOMIC
DEVELOPMENT

- 10+ YEARS IN ECONOMIC DEVELOPMENT
- ATTRACTED 2,400+ JOBS AND \$365M IN CAPITAL INVESTMENT AS BUSINESS RECRUITMENT MANAGER FOR THE ECONOMIC DEVELOPMENT PARTNERSHIP OF NC.
- NATIVE OF WILSON AND GRADUATE OF WAKE FOREST UNIVERSITY WITH A BACHELOR'S IN COMMUNICATIONS AND ENTREPRENEURSHIP AND A MASTERS OF SCIENCE IN MANAGEMENT.



PLAYING TO OUR STRENGTHS

//

Even before the Coronavirus changed our lives and businesses, we were building targeted efforts to attract and retain talent of all kinds. Those efforts will become ever more important during and after the pandemic.”

According to a *Wall Street Journal* article titled [“When Workers Can Live Anywhere, Many Ask: Why Do I Live Here?”](#) anywhere from 3 to 10 percent of the workforce in large cities have relocated, at least temporarily, to smaller towns during the pandemic. Experts predict that a combination of virtual working environments and shifting ideals will lead to that change being permanent for some, and I believe there’s no better place to welcome them than Winston-Salem.

Even before the Coronavirus changed our lives and businesses, we launched initiatives to attract and retain talent of all kinds. Those efforts will become ever more important during and after the pandemic.

It’s up to us now to play to our strengths - the quality of life, affordability, and amenities in Winston-Salem make it a standout choice for those looking to relocate.

Our efforts to recruit talent and economic development align with our commitment to supporting existing companies, now more than ever before, with programs to link them to grant opportunities, PPE, and more.

Greater Winston-Salem, Inc. may have launched under circumstances we hadn’t imagined, but we are adapting on all fronts by showcasing our strengths to recruit talent and business while working together with our community to weather the storm. We are Winston Strong, and we will succeed together.

MARK OWENS

President & CEO

THANK YOU TO OUR INVESTORS

BB&T NOW TRUIST

COOK MEDICAL

NOVANT HEALTH

REYNOLDS AMERICAN

WAKE FOREST BAPTIST MEDICAL CENTER

WELLS FARGO

BETHANY MEDICAL CENTER

BLUECROSS AND BLUESHIELD OF NC

FORSYTH COUNTY

HANESBRANDS INC.

KELLY OFFICE SOLUTIONS

ONPAR TECHNOLOGIES

TWIN CITY QUARTER

WINSTON-SALEM/FORSYTH COUNTY SCHOOLS

WOMBLE BOND DICKINSON (US) LLP