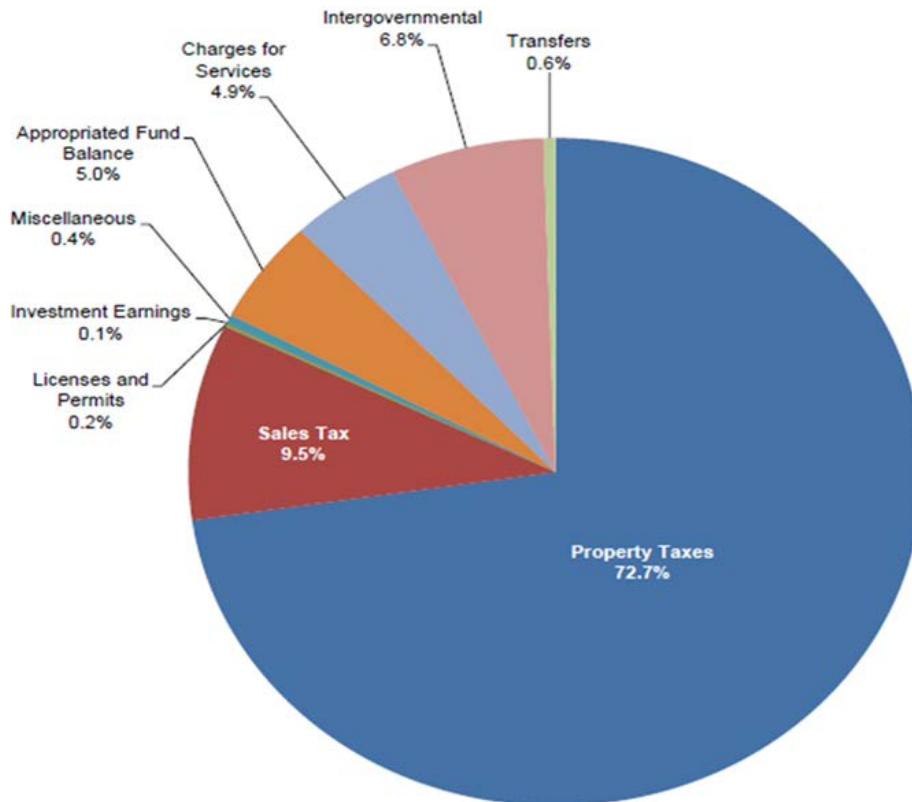




Orange County's General Fund Revenues

General Fund Revenue by Category



Categories

Property Taxes	72.7%
Sales Tax	9.5%
Intergovernmental	6.8%
Appropriated Fund Balance	5.0%
Charges for Services	4.8%
Transfers	0.5%
Miscellaneous	0.4%
Licenses & Permits	0.2%
Investment Earnings	<u>0.1%</u>
	100%

Source: Orange County Tax Office



Orange County Taxes & Revenues

Fiscal Year 2014-2015

- Taxable value of all property in Orange County:
 - **\$15.6 billion**
 - **\$7 billion** of additional property, owned by a unit of government, university, church, etc., is not taxed.

<u>Source</u>	<u>Taxable Value</u>	<u>Percent</u>
Commercial	\$1,991,488,926.00	12.76%
Apartments	\$451,682,464.00	2.89%
<u>Residential</u>	<u>\$13,160,887,135.00</u>	<u>84.35%</u>
Total	\$15,604,058,525.00	100.00%

- Total Orange County revenues from all sources:
 - **\$200,428,111**



Orange County Taxes & Revenues

- **Total annual revenue from property taxes:**
 - **\$143,836,920** (including motor vehicles)
- **County residential taxpayers pay:**
 - **84.0% of total property taxes**
 - **60.5% of all county revenue**
- **Hillsboro's Walmart:**
 - **12% of the County's annual retail sales tax collected.**
 - No single retailer in Alamance County adds more than 1%.
- **Orange County's property tax rate:**
 - **3rd highest in N.C.**
 - Only two other N.C. counties rank higher - Scotland County at \$1.03 and Northampton County at \$0.92



Orange County's Competitive Challenges

Competitive Challenges

- Tax base needs to be more diversified, with less reliance on residential taxpayers; insufficient volume of retail, commercial and industrial taxpayers. Prospective businesses consider property taxes as a variable cost when making site location decisions among competing areas.
- Unsustainable level of **“retail sales tax leakage”**, or, loss of our County's wealth (#1 per capita income in N.C.), to adjacent counties. County ranks **81st among all N.C. counties in “retail sales tax collected per capita”**.
- Very competitive regional environment regarding business recruitment.
- County's late entry into business & industrial recruitment, cost to fund site development & infrastructure, and lack of existing industrial buildings.
- Faster review and approval process of projects in adjacent counties.
- Effects of a past statewide reputation as a “no/slow growth” community.
- Higher land prices, compared to our competition.
- Underemployment & need for more blue collar jobs at a living wage.

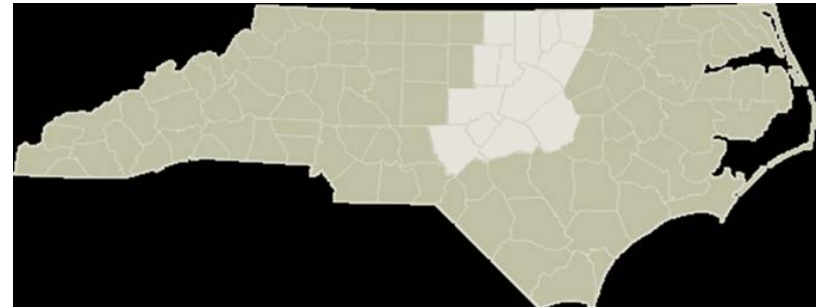


Research Triangle Regional Partnership



- One of 7 statewide non-profit agencies established in the 1980s by the State of N.C. to assist the N.C. Department of Commerce in regional marketing & economic development.
- Orange County was one of 13 member counties in the RTRP until 6/30/14, when the N.C. General Assembly ceased State funding.

- **The RTRP reported on 1/30/13 that new and expanding businesses had announced \$5.1 billion in investment in the 13-county region since 2009.**
- **For FY 2011-2012 the RTRP announced that 128 new and expanding firms in the 13-county region had announced 10,000 jobs and \$1.6 billion in investment.**





Orange County's Share in FY 2011-2012

RTRP's Results for FY 2011-2012

13 member counties shared in the recruiting success of:

- **128 new and expanding businesses (27% international)**
- **10,000 new jobs**
- **\$1.6 billion in new investment** (over the next 5 years)

What was Orange County's Share?

- **5% ?**
- **10% ?**
- **15% ?**



Orange County's Share in FY 2011-2012

Orange County's Share in FY 2011-2012

- **1 industrial expansion** (German mfg. firm AKG, in Mebane)
- **90 jobs**
- **\$3 million investment**

Orange County's Performance as a Member of 13 Counties

- 1 company - out of 128 new or expanding companies **(0.8 %)**
- 90 new jobs - out of 10,000 announced new jobs **(0.9%)**
- \$3 million investment - out of \$1.6 billion **(0.2%)**

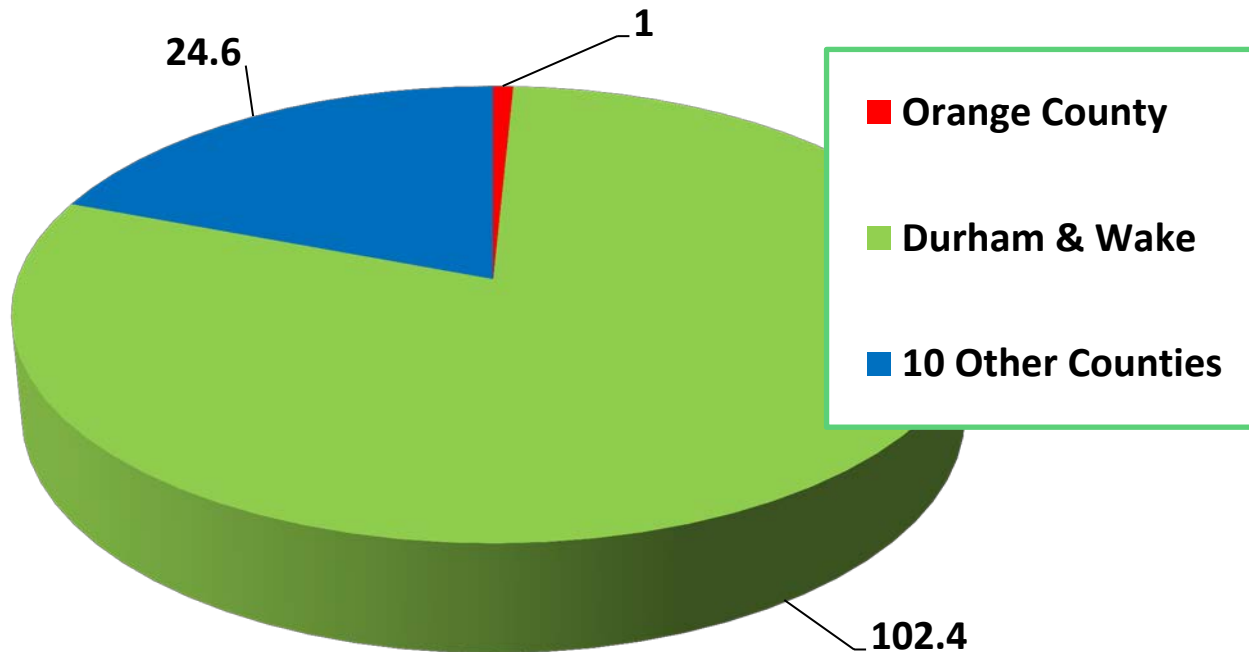
Where Businesses Actually Chose to Locate

- **80% located in just 2 counties – Durham & Wake.**
- **20% located in the remaining 11 member counties.**
- **Ratios for FY 2012-2013 results are similar.**



Orange County's Share in FY 2011-2012

New & Expanding Companies

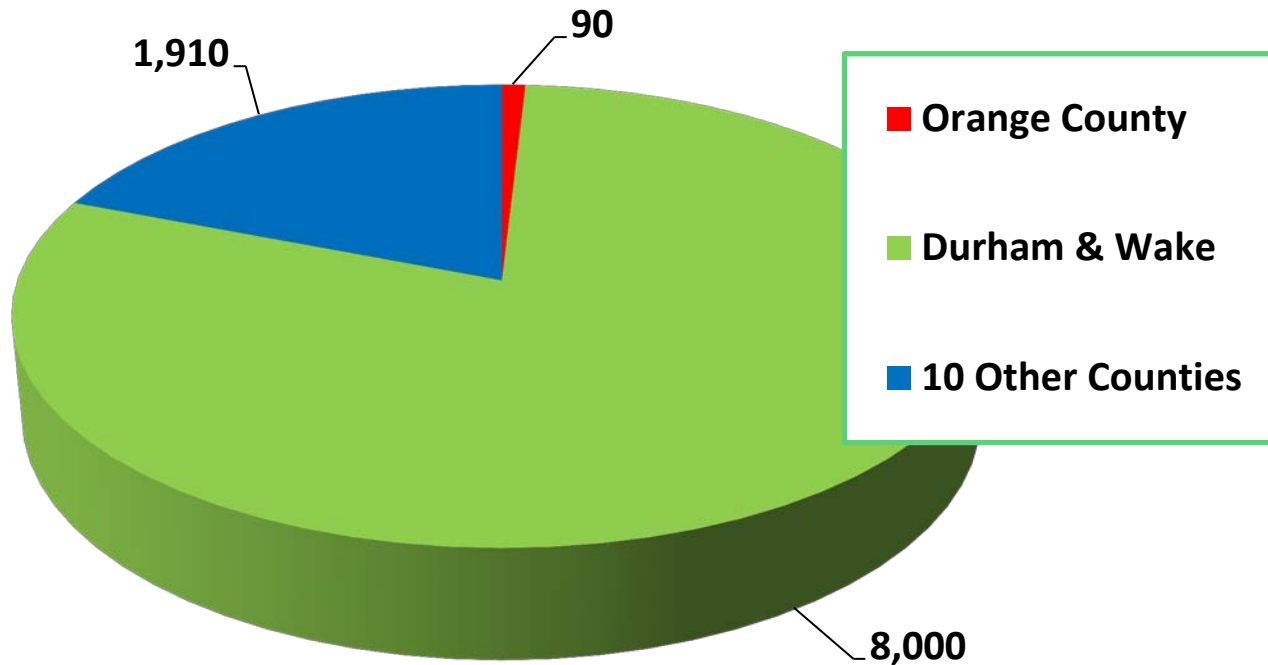


Research Triangle Regional Partnership



Orange County's Share in FY 2011-2012

New Jobs Over Next 5 Years

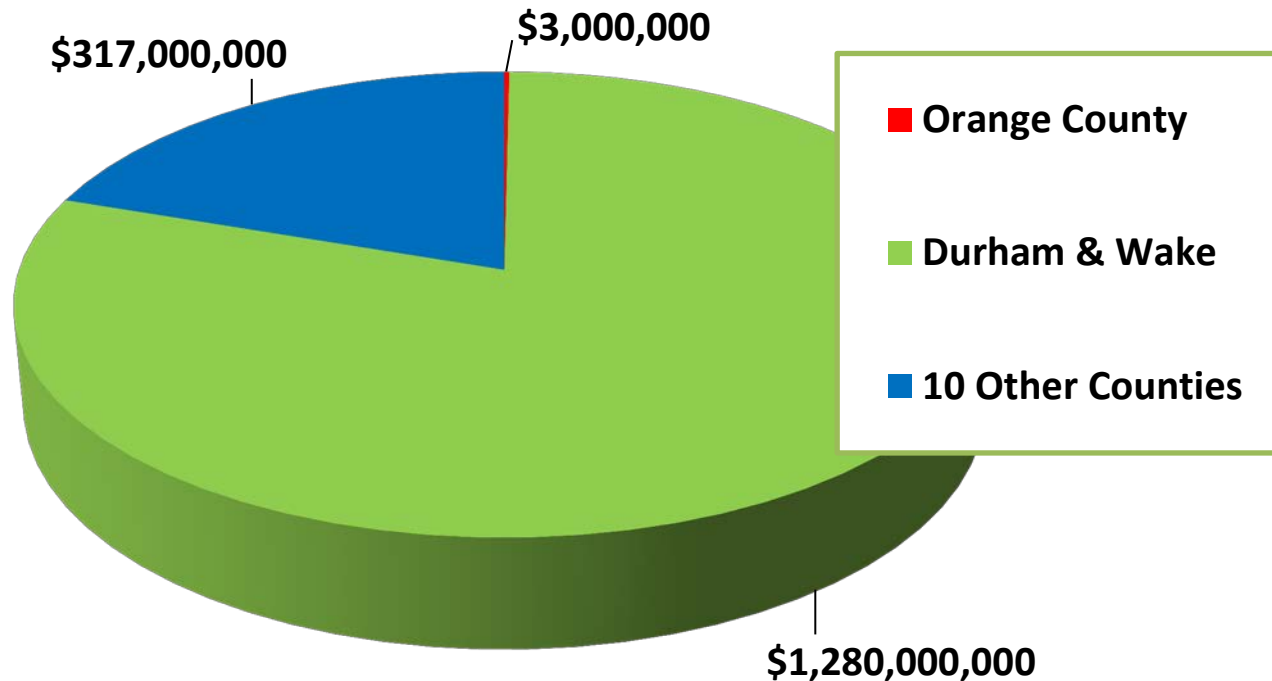


Research Triangle Regional Partnership



Orange County's Share in FY 2011-2012

Investment Over Next 5 Years



Research Triangle Regional Partnership



Morinaga America Foods, Inc.

CASE STUDY

Following is a brief review of Orange County's successful recruitment in 2012-2013 of the Japanese candy manufacturer, Morinaga & Co., Ltd., to the Buckhorn Economic Development District.





Morinaga America Foods, Inc.

CASE STUDY

Morinaga & Co., Ltd. (headquartered in Tokyo, Japan) and Morinaga America Foods, Inc.

- Regional cooperation assisted Orange County, N.C. in successfully recruiting a new industry in 2013 following a competitive 18-month effort.
- Regional economic development partners contributed to the successful attraction of the company.
- Morinaga America Foods, Inc. is now the County's largest new corporate taxpayer.



Morinaga & Co., Ltd.

Company Background

- Founded in Tokyo, Japan in 1899.
- World-class confectionary & candy maker; \$2 billion in annual global sales.
- Over 40 product lines.
- Ranks equal to Kellogg Company in worldwide sales.
- Asia's equivalent to a Hershey's, Mars or Nestle.
- #1 candy company in Japan.
- Japan is the world's 2nd largest confectionery market.





Recruitment of Morinaga & Co., Ltd. by Orange County

February 2012: State of N.C. contacted Orange County for sites.

Competition: Toronto, Portland OR, Philadelphia PA, Richmond VA, Atlanta GA, & 18 competing sites in 12 other N.C. counties.

11 total visits: Japanese Company (including visits by Chairman Morinaga & President Arai from Tokyo) visited Orange County.

March & July 2013: Governor of North Carolina met with Chairman Morinaga and President Arai.

January 2013: Orange County & Atlanta became finalist sites.

September 3, 2013: Company announced plans to establish Morinaga America Foods, Inc. factory in Orange County, N.C.

June 5, 2014: Ground breaking ceremony for “Hi-Chew” factory.

Sept./Oct. 2015: Open House for newly completed facility.



Morinaga's Investment Plans in Orange County

Investment:	\$48 million
Employment:	90 - 120 jobs
Avg. Annual Salary:	\$37,969
Annual Payroll:	\$3.4 million + Health Benefits
Facility Size:	100,000 sq. ft.
Type of Operation:	Production of "Hi-Chew" Candy
Site Size:	21 Acres
The Company has not committed to making any additional investment beyond this initial phase. However, an expansion of equal size is expected to occur in 2-3 years.	



"Hi-Chew" Candy Brand

FRUIT CHEWS

HI-CHEW®



"Hi-Chew" Candy

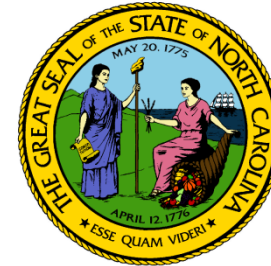
Over 140 Different Fruit Flavors





Key Recruitment Partners

- **Orange County**
 - Board of County Commissioners
 - Manager's Office, Economic Development
 - Planning & Inspections, Visitors Bureau
- **City of Mebane**
- **N. C. Department of Commerce**
- **N. C. Department of Transportation**
- **University of North Carolina at Chapel Hill**
- **Economic Development Partnership of N.C.**
- **Research Triangle Regional Partnership**



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL





Key Recruitment Partners

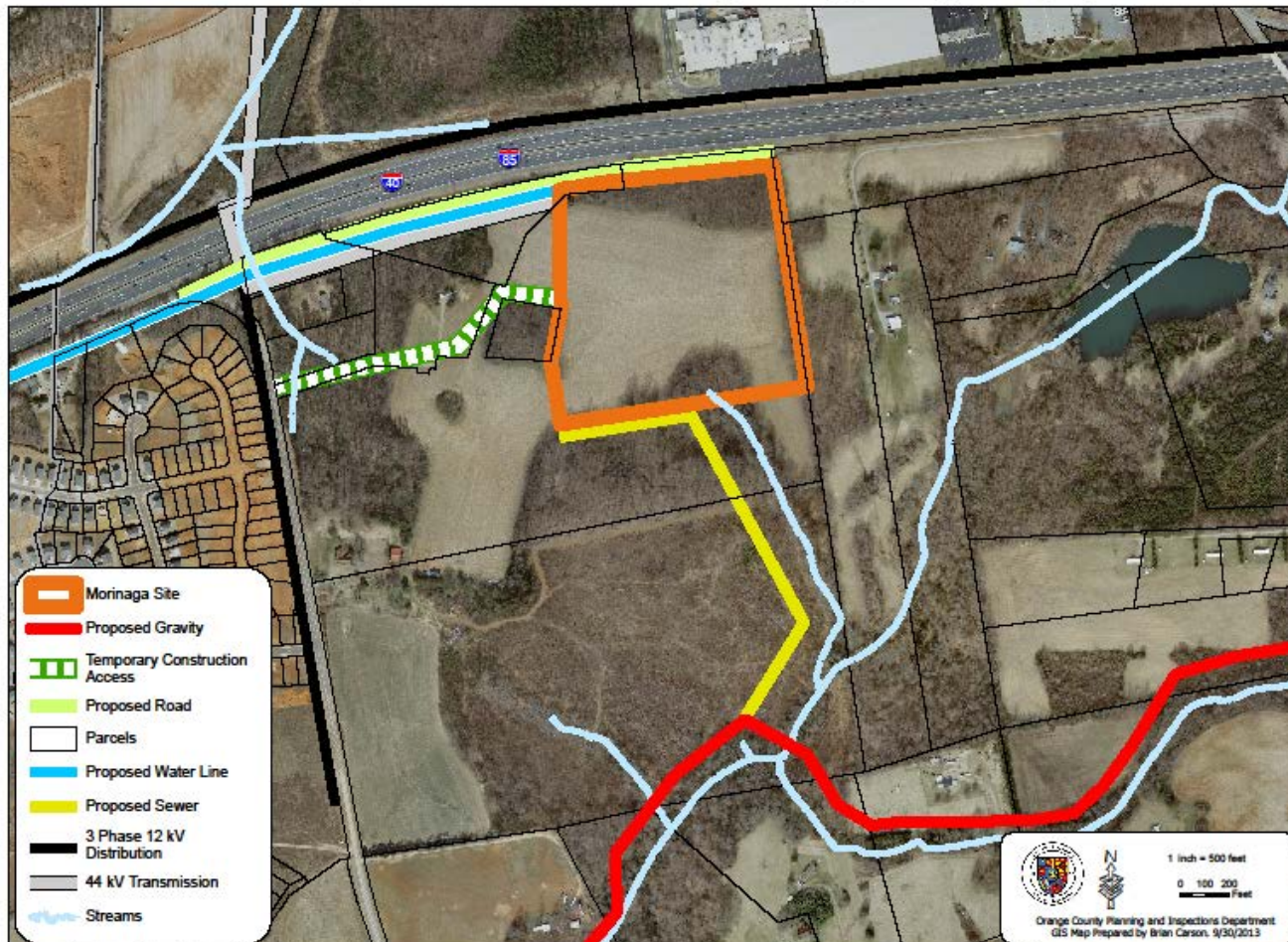
- Office of the Governor of N.C.
- N.C. Community Colleges System
- Durham Technical Community College
- Duke Energy
- PSNC Energy
- InSpec Group





Partners Bring Utilities, Road Access & Worker Training to Morinaga

Site and Proposed Infrastructure for Morinaga Facility (Conceptual Layout)





Morinaga America Foods, Inc.

Orange County's New "Hi-Chew" Candy Factory
\$48 million investment, 90 jobs, 100,000 sq. ft. building





Construction Progress





Morinaga Begins Hiring

Job Fair at Durham Tech: January 28-29, 2015

850 local residents apply for work



Thank you very much.

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