

2016 Annual Economic Development Update

Durham experienced a rather different year in economic development versus other years for a number of reasons ranging from 2016 being a presidential election year of diverse candidate profiles, state legislative actions, global trends and a local shortage of building options, both on the office as well as the industrial front. Having said this, the Chamber continues to experience a healthy stream of inquiries from companies located within the region due to developers building new buildings, thus creating new inventory in the market for users to occupy.

Below are the key projects that took place in Durham in 2016. The total compiled announcement activity was \$875.8 million with 4,256 new jobs being created.

						2016			
Company	New/Exp.	Location	Square Ft	Investment	New Jobs	Description	Parent Country	Cluster	
Duke MSRB III Building	Renov	Duke	155000	\$103,000,000	-	Research Building	USA	Education	
City Center	New	Downtown	425000	\$88,000,000	585	Adaptive Reuse Mixed-Use Project	USA	Development	
Duke Thomas Center	Exp	Duke	87000	\$62,000,000	-	Hotel and Meeting Center	USA	Education	
DCRI-Durham ID	Renov	Downtown	175000	\$53,750,000	-	Clinical Trials Services	USA	Life Sciences	
RTI	New	RTP	190000	\$42,750,000	-	Research Institute	USA	Life Sciences	
Duke Arts Building	New	Duke University	71000	\$41,182,503	-	Higher Education	USA	Education	
SunCap/FedEx	New	S. Alston Ave	250000	\$39,000,000	350	Logistics Services	USA	Logistics	
Humacyte	Renov	ARE	70000	\$38,000,000	110	Drug R&D	USA	Life Sciences	
Duke East Campus Residence	New	Duke	80000	\$34,300,000	-	Dormitory	USA	Education	
Aurobindo	Exp	Weck Drive	147000	\$31,700,000	275	Pharmaceutical Manufacturing	India	Life Sciences	
Jack Tar/Unscripted Hotel	Exp	Downtown	77000	\$24,000,000	10	Hotel	USA	Hospitality	
Braeburn	Renov	Keystone Park	35000	\$23,900,000	52	Medical Device Manufacturing	USA	Life Sciences	
Harris Teeter	Exp	Highway 70	77779	\$14,686,000	115	Grocery Store	USA	Hospitality	
Duke-Wallace Wade Press Twr	New	Duke	14000	\$14,430,762	-	University Athletic Improvements	USA	Education	
Chesterfield Parking Deck	New	Pettigrew Street	250000	\$14,407,301	-	Chesterfield Parking Deck	USA	Life Sciences	
MED-EL	Renov	Meridian Corp. Ctr.	57000	\$14,250,000	20	Developer of Cochlear Implants	Switzerland	Life Sciences	
Peter Millar	Exp	Triangle Business Ctr	115000	\$12,880,000	100	Apparel Logistics	Switzerland	Logistics	
NIH	Exp	RTP	110000	\$9,546,462	-	Warehouse	USA	Life Sciences	
Veritas Collaborative	Renov	TBC Building 7	96600	\$9,100,000	98	Healthcare Services	USA	Life Sciences	
Tryon Distributor	Exp	S. Miami Blvd	70000	\$8,600,633	35	Wine Distributor	USA	Logistics	
Aerie Pharmaceuticals	New	RTP	20000	\$7,742,342	-	Pharmaceutical Manufacturing	USA	Life Sciences	
American Tobacco	Reno	Downtown	328000	\$7,500,000	-	Parking Deck Expansion	USA	Hospitality	
Duke Hospital	Renov	Duke	50000	\$7,447,250	-	Hospital Improvements	USA	Life Science	
Duke - Brodie Gym + Softball	Exp	Duke	15000	\$7,378,404	-	Gym renovation and Softball Stad.	USA	Education	
Durham Self Storage	Renov	Petty Road	95770	\$6,364,240	4	Self Storage Units	USA	Services	
Almac	Renov	Independence Park	30000	\$6,200,000	102	CRO Services	UK	Life Sciences	
Duke Stadium	Renov	Duke	30000	\$5,068,016	-	Duke Press tower and Infrastructure	USA	Education	
Amazon/Duke Weeks	New	Center Point	323000	\$5,000,000	320	Logistics	USA	Logistics	
GSK	New	RTP	55000	\$4,482,092	-	Pharmaceutical HQ	United Kingdom	Life Sciences	
Duke Wannamaker Dorm	Exp	Duke	40000	\$3,955,101	-	Dormitory	USA	Education	
Trinity United Meth. Church	Renov	Downtown	0	\$3,934,385	-	Church	USA	Religion	
IBM	Renov	RTP	20000	\$3,784,094	-	Informatics Product Development	USA	IT/Informatics	
Biogen	Renov	RTP	15000	\$3,660,128	-	Pharmaceutical Manufacturing	USA	Life Sciences	
Nutanix	New	Downtown	70000	\$3,500,000	250	Enterprise Cloud Products	USA	IT/Informatics	

The Frontier - RTF	Exp	RTP	30000	\$3,293,596	-	Business Offices	USA	Services
Blue Force Technologies	New	Keystone Park	16000	\$3,250,000	16	Aeronautical Components	USA	Transportation
Avaya	Exp	Meridian Corp. Ctr.	38463	\$3,059,000	-	Telephony, Wireless Data & CRM	USA	IT/Informatics
Sentinel	New	NE Creek Parkway	5000	\$2,599,000	-	Infrastructure Expansion	USA	IT/Informatics
Croasdaile Village	Renov	Croasdaile Dr.	22000	\$2,491,000	-	Retirement Community	USA	Services
Quintiles	Exp	Imperial Center	55469	\$2,350,000	-	CRO Service Provider	USA	Life Sciences
TROSA	Renov	James Street	10270	\$2,315,000	6	Medical Treatment	USA	Life Sciences
Hopson Rd Self Storage	Exp	Hopson Road	24000	\$2,309,680	1	Self Storage Units	USA	Services
Bioagilytix	Renov	Comm. Park West	50000	\$2,131,976	25	CRO Services	USA	Life Sciences
BASF	New	RTP	13800	\$1,945,921	-	Agricultural Product Development	Germany	Life Sciences
Applebees	Exp	NC 54	5800	\$1,920,996	20	Restaurant	USA	Hospitality
Chick Fil A	New	Chapel Hill Blvd	4730	\$1,920,996	20	Restaurant	USA	Hospitality
US 70 Storage	Exp	E US 70	6417	\$1,883,728	-	Self Storage Units	USA	Service
Durham Collision Center	Renov	Page Road	40990	\$1,790,000	25	Body Shop	USA	Services
Grifols	New	RTP	18000	\$1,750,000	-	Drug R&D	Spain	Life Sciences
Tylers Taproom	Renov	American Tobacco	10000	\$1,738,972	20	Restaurant	USA	Hospitality
Merck	New	Treyburn	2500	\$1,615,000	-	Upgrades to Pharma Mfg. Bldg	USA	Life Sciences
All Saints Church	Exp	Smallwood Drive	10051	\$1,530,000	-	Church	USA	Religion
Nimble Storage	New	Imperial Center	0	\$1,458,866	-	Flash Storage Technologies	USA	IT/Informatics
Purdue Pharma	Renov	Treyburn	2637	\$1,455,483	-	Pharmaceutical Manufacturing	USA	Life Sciences
Harris Teeter	Renov	ML King Parkway	60000	\$1,439,532	-	Grocery Store	USA	Hospitality
Labcorp	Renov	TW Alexander Drive	2948	\$1,902,067	-	Testing Lab	USA	Life Sciences
Aramark Cleanroom Services	New	Expressway Cnrc Ctr	6000	\$1,317,631	1	Laundry Services	USA	Services
Pop Sugar	New	Downtown	22863	\$1,249,150	50	Apparel Marketing	USA	Hospitality
Durham Marriott	Renov	Downtown	40000	\$1,227,000	-	Hotel	USA	Hospitality
Interactive Intelligence	New	Imperial Center	10000	\$1,200,000	200	Cloud computing Products	USA	IT/Informatics
Zaxbys	Renov	Miami Boulevard	3645	\$1,192,292	20	Restaurant	USA	Hospitality
RTI	Exp	RTP	12000	\$1,168,322	-	Research Institute	USA	Life Sciences
Duke - Faculty House	Renov	Duke	8000	\$1,143,000	-	Duke University - Alumni Affairs	USA	Education
Durham Rescue Mission - Dorm	New	Main Street	22493	\$1,120,000	-	Dormitory	USA	Services
DCRI	Exp	Downtown	17321	\$1,100,000	-	Clinical Trials Organization	USA	Life Sciences
DCRI	Exp	Downtown	17400	\$1,100,000	-	CRO Organization	USA	Life Sciences
Liquidia	New	419 Davis Drive	6645	\$1,047,000	-	Drug Delivery Platform	USA	Life Sciences
Infotec	Renov	2525 Bldg	12000	\$1,043,100	20	Business Intelligence	USA	IT/Informatics
Novan	Exp	RTP	5000	\$972,604	-	Operational Infrastructure	USA	Life Sciences
Popeyes	Renov	Guess Road	3149	\$970,000	12	Restaurant	USA	Hospitality
Davita	Exp	Triangle Business Ctr.	10000	\$947,270	-	Dialysis Center	USA	Life Sciences
Neurotronik	Renov	TBC	14000	\$947,270	9	Technology to Address Heart Failure	USA	Life Sciences
Grace Baptist Church	Renov	Downtown	8000	\$931,000	-	Church	USA	Religion
Sheetz	New	NC 751	4200	\$928,086	10	Convenience Store	USA	Hospitality
Triangle Implant Center	New	NC 55	4000	\$925,985	8	Dental Implant Center	USA	Life Sciences
Autozone	Exp	Fayetteville St.	4000	\$905,887	10	Retail	USA	Hospitality

The data was compiled from real estate reports provided by leading brokerages as well as from building report data generated by the Durham City-County Inspections Department as reported in local newspapers as well as through data on their website which was current to September at the time of this report.

In 2015, the Durham Chamber began working with its economic development colleagues with Downtown Durham Inc., the City of Durham and Durham County on several projects of interest and importance to the community. These deals were intended to move the development of Durham's already impressive Innovation Hub forward in downtown. Key projects included the Durham.ID District by Longfellow Real Estate Partners and the renovation of the Chesterfield Building by Wexford Science and Technology. These projects serve to create an Innovation Hub in the downtown suitable for attracting new Life Science and Technology projects that will

continue driving Durham's technology based economy forward. In 2016, the first building for the Durham.ID was announced and three large real estate transactions have resulted in the Chesterfield being nearly fully leased. This is certainly a positive reflection of the need for innovation space in downtown Durham. While not part of the Innovation Hub, construction of the 27 story City mixed-use Center project being developed by Austin Lawrence began and the building will deliver space in 2018.

The Durham Chamber is also collaborating with the Research Triangle Foundation in the planned Park Center development which is anticipated to begin later in 2017. This project will transform Park Center and the Research Triangle Park (RTP) into a modern, mixed use development which will greatly improve the marketability and attraction of RTP for companies globally. The Park Center Project will serve to add new energy and vision into the Research Triangle Park, a critical driver of Durham's economic engine.

To address the industrial building inventory supply issue, the Chamber is very actively working with developers to build new space throughout Durham. Several of the new industrial buildings being developed in Southern Durham involve build-to-suits which are critically important in terms of attracting new tenants and jobs as well as retaining existing tenants and jobs in Durham. With real estate vacancy rates and space availability at historic lows for distribution and manufacturing space, developing new product is critical in terms of allowing Durham to compete for client space needs.

On the office inventory supply shortage in the downtown, the Durham Chamber is working with developers on three projects that will increase the supply of office space that is in demand by the market.

Economic activity in 2016 saw a market reaction to the direction that major pharmaceutical and biotechnology companies are taking by focusing their activities on product approval and commercialization and contracting with third party companies for services like clinical trials and testing services. Reflecting this market change, there were 10 Contract Research Organizations involved with pharmaceutical product development that expanded or located in Durham during the year.

The downtown market continues to be active with new mixed-use and multi-family projects either underway in the downtown or looking to develop in the downtown.

Key 2016 Announcements:

Aerie Pharmaceuticals: while announced in 2015, the company invested in a new R&D and development center at the Exchange Building in the Imperial Center. The company is focusing on the discovery, development, and commercialization of first-in-class therapies for the treatment of glaucoma and other eye diseases. Aerie signed a lease for 20,000 square feet of office, lab and pilot production space in the Exchange Place Building. Aerie's space is owned Longfellow Real Estate Partners, a nationally recognized life science developer who is also developing the Durham Innovation District (Durhamn.ID) in downtown Durham. Longfellow owns three buildings in the Imperial Center and recently purchased 11 buildings of the 13 technology buildings in the Keystone Technology Park.

Almac: The Almac Group is an established contract development and manufacturing organization that provides an extensive range of integrated services to the pharmaceutical and biotech sectors globally. The services range from R&D, biomarker discovery and

development, API manufacture, formulation development, clinical trial supply. The company has three of its operating divisions in Durham and has been growing steadily in Durham since locating here in the 1990's and decided to expand its operation in Durham.

American Tobacco: The owner of American Tobacco purchased the North Parking Deck from the City of Durham earlier this year and has embarked upon an expansion of the deck by adding four new levels of parking to serve the growing parking needs of American Tobacco. Since the time of the original adaptive reuse of American Tobacco, the density of employees in office space has increased at American Tobacco, necessitating the investment to expand the parking deck. This trend of increasing employee density in office space is happening throughout the general office market as well.

Arbiom: the company leased 9,664 square feet in the Imperial Center. Arbiom has developed a biorefinery platform technology enabling the conversion of non-food biomass into advanced bio-based chemicals and materials. The company's technology unlocks new, high-value opportunities for abundant, renewable biomass to provide bio-based chemicals and materials industries with environmentally-friendly source choices.

Aurobindo: Aurobindo USA purchased a vacant building near RTP and is renovating the space for research and development, as well as manufacturing activities. The company is committed to delivering a broad portfolio of quality, affordable generic pharmaceuticals to pharmacists and patients. Since its first US ANDA approval in 2004, the company expanded its portfolio to include more than 125 product families and 450 individual product packages, representing a wide range of therapeutic categories.

It has been recognized as the fastest growing pharmaceutical company in 2012, and in early 2013. Thanks to the ongoing support of its customers, it became one of the top 10 pharmaceutical companies, brand or generic, in terms of total prescriptions dispensed. The company continues to invest in the portfolio and was also recognized during the first quarter of 2013 with the highest number of ANDAs approved by all generic manufacturers.

Avaya: Avaya is a leading provider of solutions that enable customer and team engagement across multiple channels and devices for a better customer experience, increased productivity and enhanced financial performance. Its contact center and unified communications technologies and services are available in a wide variety of flexible on-premises and cloud deployment options that seamlessly integrate with non-Avaya applications. The Avaya Breeze platform enables third parties to create and customize business applications to allow its client added efficiencies. The Avaya fabric-based networking solutions is designed to simplify and accelerate the deployment of business critical applications and services. Avaya moved from an RTP location to space in Meridian Corporate Center.

BioAgilytix: BioAgilytix is a contract research organization (CRO) providing lab services to companies. The company provides bioanalytical lab services specializing in large-molecule bioanalysis; offering PK, immunogenicity, biomarkers and cell-based assays in support of the development and release testing of biologics and small-molecule therapeutics

Biogen: a major US pharmaceutical company, Biogen discovers, develops, manufactures and commercializes innovative therapies for people living with serious neurological, autoimmune and rare diseases including multiple sclerosis (MS). Biogen purchased the Eisai's Durham facility in RTP in 2015 and Biogen retained the bulk of Eisai's workforce and has been

upgrading the facility in the past few years. This recent investment is indicative of what we hope is Biogen's continued commitment to Durham and RTP.

Blue Force Technologies: the company provides a full range of Advanced Manufacturing capabilities for aerospace, defense and commercial applications. Blue Force Technologies can take a project from conception to production, utilizing its engineering/design, rapid tooling/prototyping, and/or manufacturing/assembly capabilities as needed. The company has experience in defense and commercial aerospace (ranging from small aircraft parts to complete aircraft prototypes), unmanned vehicle parts (air/ground/maritime), and military vehicles (composite and other lightweight parts). The company has particular expertise in composite design and construction. The company expanded its space in Keystone Park.

Braeburn Pharmaceuticals: Braeburn Pharmaceuticals, a 4-year-old Princeton, N.J., company that develops drugs with specialized delivery technologies to improve treatments for mental illness, pain and addiction, plans to invest nearly \$20 million over five years to establish a manufacturing and R&D hub in Durham County that will create 52 new jobs. The company is a specialty pharmaceutical company, focusing on novel, long-acting implantable and injectable therapies for serious neurological and psychiatric disorders, including addiction, pain, and schizophrenia. The company's delivery platform allows for a precision pill-free delivery of a pharmaceutical products to patients. The company occupied space in Keystone Park owned by Longfellow Real Estate Partners, and it is the fourth life science manufacturing project being developed by Longfellow for its clients in recent years for its clients, also including Pearl Therapeutics, Novan and Aerie Pharmaceuticals.

Duke Brodie Gym: Duke is investing on its East Campus to expand the Brodie Gym and is adding a new softball field to provide new recreational opportunities for its students.

Duke Clinical Research Institute (DCRI): DCRI is a comprehensive academic research organization (ARO) and the only one of its kind that can offer all the services of a commercial contract research organization (CRO) with the academic credibility and expertise of an academic research institute. In 2016, DCRI leased another floor in the Durham Centre Building with a fit-up costing \$1.12 million. Even more exciting, it was announced that DCRI will be leasing one of the two new buildings that Longfellow Real Estate Partners will be building to kick-off the first phase of the Durham.ID Project on Morris Street in downtown Durham. The two buildings are each 175,000 square feet in size and the deal, including a new parking deck to support the project. DCRI also leased another floor in the Durham Center.

Duke's new East Campus Dormitory: Duke is building a new residence hall close to Bell Tower residence hall on East Campus that will house 250 students—making it the largest freshman dorm on East Campus. This is the second major investment announced for Duke's East Campus this quarter.

Duke University MSRB III: Duke University announced the new \$103 million, 155,000 square foot MSRB Building III on Research Drive. This is the first new research building to be built on campus since 2006. The new building will provide bench lab research space for the School of Medicine. Duke is continuing its massive campus improvement plan and hospital renovation plan. The new lab space will allow Duke create research synergies and build thematically aligned groups that will expand and strengthen Duke's research portfolio.

Duke's Thomas Executive Conference Center Expansion to include the JB Duke Hotel: the university has announced it will open a new \$62 million hotel named in honor of JB Duke,

creator of The Duke Endowment. The hotel is a part of the expansion of Duke University's Thomas Executive Conference Center. The new hotel replaces the previous hotel accommodations that the school had been using mostly to host visiting executives in the Fuqua School training and education programs. The hotel will be a seven-story, full-service hotel having 198 guest rooms, access to 20,850 square feet of meeting, classroom and event space, including a 5,450-square-foot ballroom, an in-house restaurant and two bars. It is expected the hotel will open in 2017.

The hotel is named after James Buchanan Duke, the son of Washington Duke for whom the university was named. JB Duke established The Duke Endowment in 1924 that led to the transformation of Trinity College into Duke University.

Guardian Logistics: Guardian leased the remaining 95,353 square feet in a 300,000 square foot building located in Teer Development Park. The company offers a comprehensive list of services for its clients including air freight, expedited LTL services and full trailer service. Guardian's expansion is yet another recent expansion in the region's growing logistics cluster. The company will pull out of several smaller spaces in Durham and consolidate its activities at its new location in Teer Development Park, while at the same time increasing their local footprint by 40,000 square feet.

Harris Teeter: A new Harris Teeter grocery store is being built at the intersection of Alexander Drive and Glenwood Avenue to serve the growing population in this area. Harris Teeter also renovated two of its other grocery stores in Durham during the year.

IBM: IBM continues to reinvest in updating and upgrading its campus to be more attractive to today's contemporary workforce needs. It is heartening to see IBM continue to invest in their RTP campus in order to ensure that the campus remains a central part of the company's future business activities. Earlier in 2016, IBM located its dojo cloud computing center in RTP. The Dojo is an effort by IBM to enhance cloud awareness as well as delivering code into the Cloud Foundry, "which then fundamentally becomes part of BlueMix as well." The Cloud Foundry is an open-source cloud computing platform with several partners, including IBM, Pivotal, HPE (Hewlett Packard Enterprise) and others. IBM's BlueMix Team is largely centered in RTP.

Interactive Intelligence: Interactive Intelligence Group provides software and cloud services for customer engagement and unified communications and collaboration to help businesses worldwide improve service, increase productivity and reduce costs. Interactive has been among Software Magazine's Top 500 Global Software and Services Suppliers for 14 consecutive years, has received Frost & Sullivan's Company of the Year Award for five consecutive years, and is one of Mashable's 2014 Seven Best Tech Companies to Work. The company is headquartered in Indianapolis, Indiana and has more than 2,000 employees worldwide and has a large and growing product development center in Durham. While founded 21 years ago to provide software for call centers, the company has moved into the cloud computing software area with its expansion in Durham. At the announcement event for the company's expansion in Durham, CEO Don Brown said, "Durham is an integral part of the company's cloud computing strategy moving forward and Durham as the 'epicenter' of the company's cloud computing strategy." The company leased space in the Imperial Center.

Jack Tar Hotel, Unscripted Hotel: The former Jack Tar Motor Lodge in downtown Durham owned by Austin Lawrence Partners is being renovated and rebranded as an Unscripted Hotel. The hotel will be the first launched by Dream Hotel Group under its new Unscripted brand, joining other hotels owned by the group in North Dallas, Austin, Seattle and Los Angeles. Renovations

are expected to be completed in 2017 with the hotel expected to open in March or April 2017. Austin Lawrence Partners is undertaking an adaptive reuse project which is transforming the 1960s landmark into a 74-room hotel that will also feature a pool deck on the third floor and restaurants on the ground floor. The hotel is part of Austin Lawrence's larger One City Center project which is a mixed use project with a 450,000 square foot tower being built on Parrish Street with ground-floor retail, 155,000 square feet of office space and 21 floors of apartments and condominiums. One City Center is expected to open in May 2018.

Lulu Press: the company offers its clients self-publishing opportunities by operating an online print-on-demand, self-publishing and distribution platform. Since its founding in 2002, Lulu has published nearly two million titles by authors in over 225 countries and territories. The company focuses on both print and digital format books and is available in six languages: English, French, Spanish, German, Italian and Dutch. The company leased approximately 20,000 SF in Keystone Park.

MED-EL: MED-EL Corporation is a Swiss based medical devices company that develops and manufactures implantable hearing solutions. It offers hearing systems and middle ear implants. In January, the U.S. Food and Drug Administration approved MED-EL's new Synchrony cochlear implant, the first such device that patients can wear during a magnetic resonance imaging (MRI) scan. In January of 2015, the FDA approved MED-EL's cochlear implant and in March 2015 the company received a patent on its Synchrony Cochlear implant.

MedPharm: a United Kingdom based company, MedPharm is a topical and transdermal pharmaceutical development company. It specializes in transdermal and topical (skin, nail, nose, lungs and other mucosal membranes) formulations and drug delivery systems. Initiated in 1996, MedPharm has built a worldwide reputation for its unique and highly specialized service in contract research, development and manufacturing. The company offers a complete suite of development options from simple feasibility tests, formulation and dosage form design, optimization and testing through to preparation of GMP investigational products for use in clinical trials world-wide. The company operates a hybrid business model, with a CRO business and a development program with a substantial patent portfolio of novel topical and transdermal drug delivery systems. The company leased space in the Imperial Center.

National Institute for Health (NIH): NIH is part of the U.S. Department of Health and Human Services and is the largest biomedical research agency in the world, according to the agency. NIH's mission is to seek fundamental knowledge about the nature and behavior of living systems and the application of that knowledge to enhance health, lengthen life, and reduce illness and disability. NIH recently broke ground on a new refrigerated warehouse in RTP costing \$9.5 million.

Nimble Storage: Nimble Storage, a California-based producer of data storage systems that has added about 50 workers in Durham over the past 12 months, is anticipating its local operations will continue to expand. The company leased an 87,000 square foot building in 2015 and is expanding as a result of growing sales of their products. Nimble is spending \$1.5 million to upfit additional space for its growing workforce.

Nutanix: Nutanix delivers cloud based storage solutions for its nearly 4,000 customers such as Nordstrom, Nintendo and the US Department of Defense. The company's solutions allow a company to focus on the applications and services that power business through the company's Nutanix Enterprise Cloud Platform that natively converges compute, virtualization and storage

into a resilient, software-defined solution with rich machine intelligence. The company leased 70,000 square feet of space in the renovated Chesterfield Building in downtown Durham.

Peter Millar: Founded in 2001, known for uniquely proper clothing and a broad color palette, Peter Millar offers everything from woven sport shirts, sweaters, and knit golf and polo shirts, to tailored clothing, outerwear, footwear, and accessories. The company's leased a new 115,000 square foot building as a build-to-suit in Triangle Business Center and the company operates its global distribution from the building. The developer has a number of other buildings in the development process with others planned for future development. The Durham Chamber of Commerce has been working with the developer of Triangle Business Center to support the development of the park.

Plygem: A national manufacturer of energy efficient building products for residential exterior building materials such as siding, stone products to windows, roofing, gutters and accessories located a new distribution center in Durham. The company leased 56,235 square feet in Research TriCenter South, the last remaining large space larger than 50,000 square feet in the park.

PSI Pharma Support: PSI is a leading, full-service CRO specializing in on-time delivery of clinical studies. PSI has experience in numerous therapeutic areas from Phase I to Phase IV programs of various sizes, complexity and global footprint. The company has 1,400 employees in 50+ countries and has been in business for more than 20 years. The company leased space in Meridian Corporate Center. PSI joins a growing CRO Industry in Durham with the largest CRO being Quintiles, and the next most recent announcement being Premier Research, which is located in RTP.

RTI: RTI announced that they will build a new six story, 190,000 square foot building on their campus in RTP. DPR Construction will build the project, Stewart will provide civil engineering design, and Duda Paine Architects will design the building, interiors and landscaping. The new space will allow RTI to provide new amenities for its team as well as serve as a central gathering place for events and collaboration. This purpose is a central theme taking place at companies throughout the region, to provide space for employee mingling and collaboration.

SynteractHCR: SynteractHCR is a full-service contract research organization (CRO) with a successful two-decade track record supporting biotechnology, medical device and pharmaceutical companies in all phases of clinical development. SynteractHCR has conducted Phase I-IV studies on six continents and 60 countries, offering expertise across multiple therapeutic areas, with notable depth in oncology, immunotherapy, CNS, infectious disease, endocrinology, cardiovascular and respiratory, among other indications. The company leased expansion space in Keystone Park.

SunCap/FedEx: The Charlotte real estate development firm SunCap acquired the former Sumitomo Electric Lightwave manufacturing plant property and is redeveloping the site for FedEx.

Toshiba Global Commerce Solutions: a subsidiary of Toshiba TEC Corporation, is a global leader in installed retail point of sale (POS) systems, offering hardware, software and integrated in-store solutions. They deliver end-to-end innovative commerce solutions for checkout, consumer operations and optimize retail operations. Toshiba Global Commerce Solutions

headquarters is located in Durham, North Carolina, with sales offices throughout the world. The company leased additional distribution space at Research TriCenter.

TransLoc: TransLoc creates technology to solve the biggest problems in transit. The TransLoc suite of products includes Rider mobile app (available in the iOS App Store or on Google Play), RealTime AVL control center, Traveler planning and passenger communication and OnDemand automated demand-response system. TransLoc, which developed a transit technology app, provides technology assistance to over 140 cities. The company expanded in the Imperial Center.

TrialCard: After seeing regulatory and financial constraints tightening for pharmaceutical sampling, the company developed a process by which a patient could receive a prescription drug trial dispensed by a pharmacy through an electronic voucher. The company has established a 15,062 square foot kitting center and distribution warehouse at its new location at One Patriot Drive. TrialCard is yet another firm in the CRO industry to locate an operation in Durham.

Veritas Collaborative: Veritas employs a multidisciplinary approach to providing eating disorder treatment for adolescents and adults. Veritas is opening its second Durham facility, a new facility in Triangle Business Center to expand its treatment programs. The organization also has facilities in Atlanta and Richmond. A developer is renovating a 130,000 square foot building for use by the organization. Veritas will use approximately 90,000 square feet and the remainder of the space will be available.

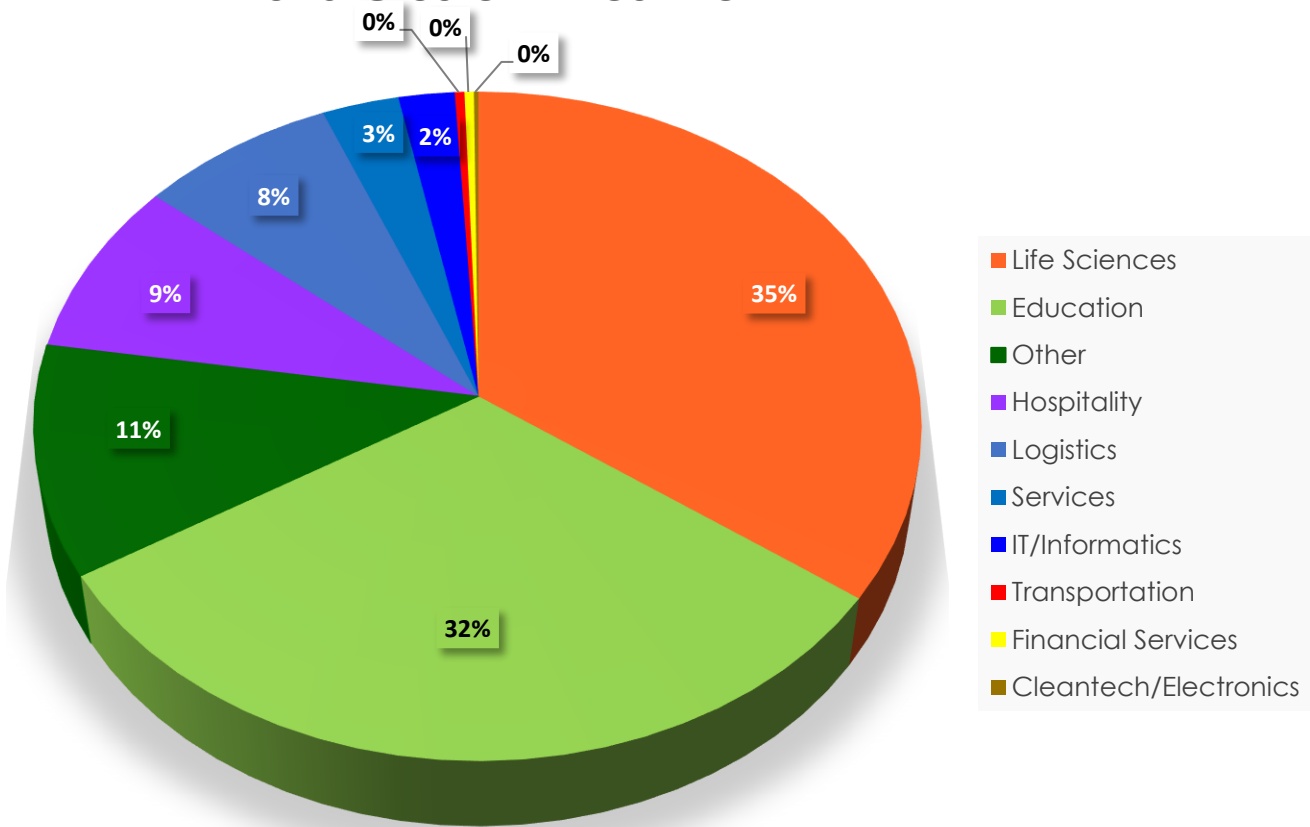
Zig Zibit: The company leased 68,656 square feet in the Commerce Center in the Imperial Center. The company designs and builds exhibits and is relocating from a location in Raleigh. It is interesting to note that the company is leasing space that will be vacated by companies moving elsewhere in Durham. This is the second trade show exhibit company to expand in Durham in recent years.

84 Lumber; 84 Lumber is the largest privately held building materials supplier to contractors and home improvement customers. The company is building a new retail operation on NC 55 in Teer Development Park. The company purchased the land before the great recession and is now moving forward to build on the site.

Announcement Analysis

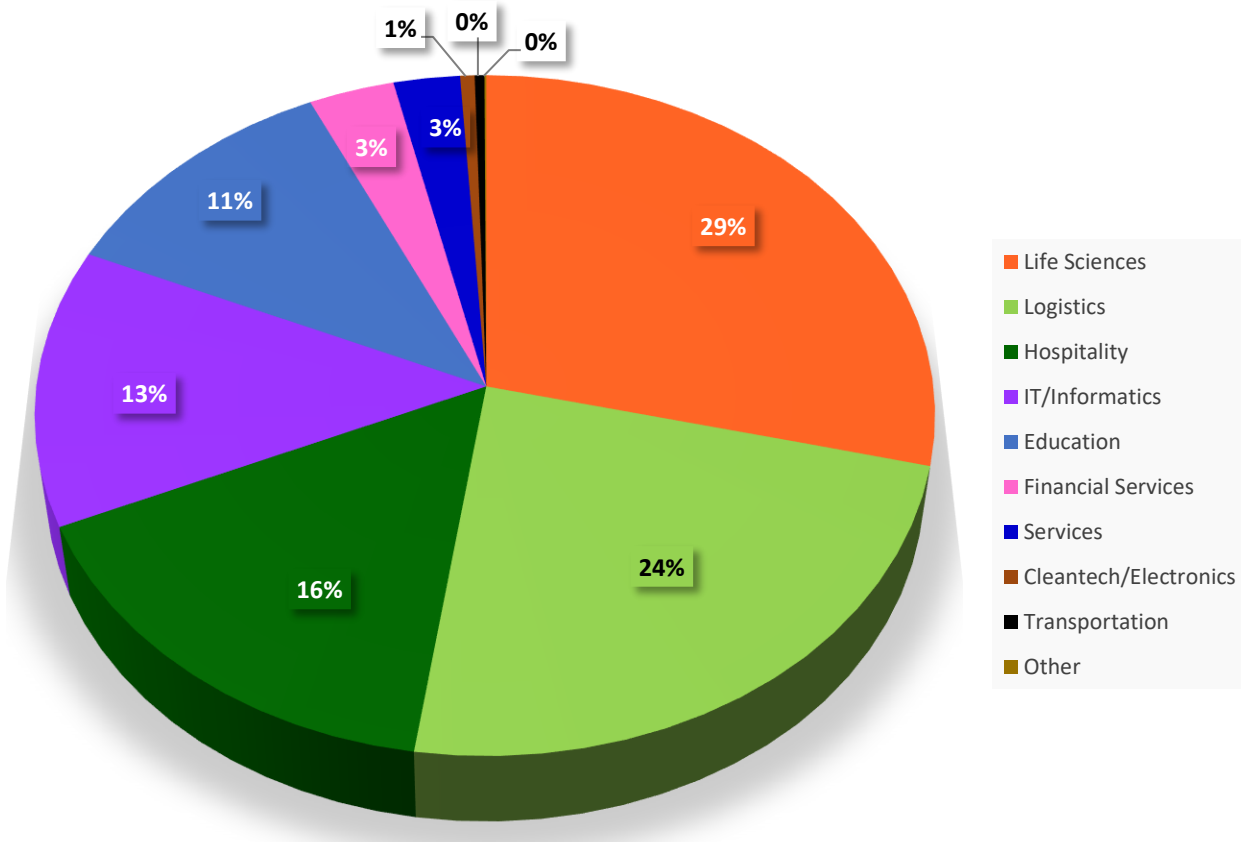
Looking at Cluster activity in 2016, with respect to investment, not surprisingly the Life Sciences Cluster continued to be a huge driver in Durham's Economy; but surprisingly Cleantech/electronics normally a large driver in Durham's economy did not experience a huge boost in investment in 2016. The Education Cluster, driven by the massive improvements taking place at Duke was significant in 2016. Hospitality which includes retail activity, was much larger than in past years and is hopefully representative of small business investment. Of particular note, a number of new restaurants were permitted as was the renovation of older ones. An industry cluster not normally attributed to Durham, Logistics, experienced significant growth with Amazon locating a fulfillment center in Durham and with the growth of Implus and Peter Millar. Also contributing to this growth is the development of new warehouse/manufacturing space, strongly supported by the Durham Chamber of Commerce, which started to deliver new product in 2016.

2016 Cluster Investment



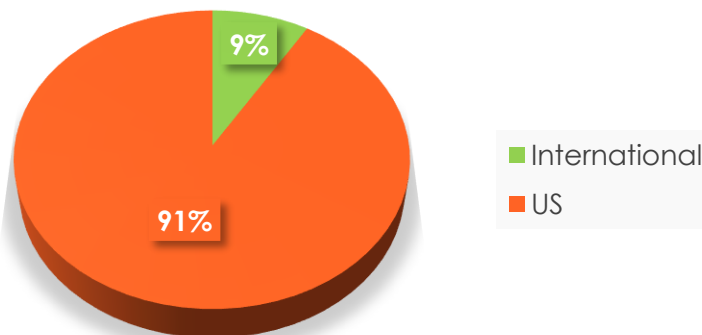
With respect to job creation in 2016, it was a good year for job growth in Durham County driven by the Life Science, Hospitality, Logistics and IT/Informatics Clusters, Education and Life Science Clusters. The Logistics Cluster itself was the second largest job creator in 2016, second only to the Life Sciences Cluster, and it created over 1,000 new jobs.

2016 Job Creation By Cluster



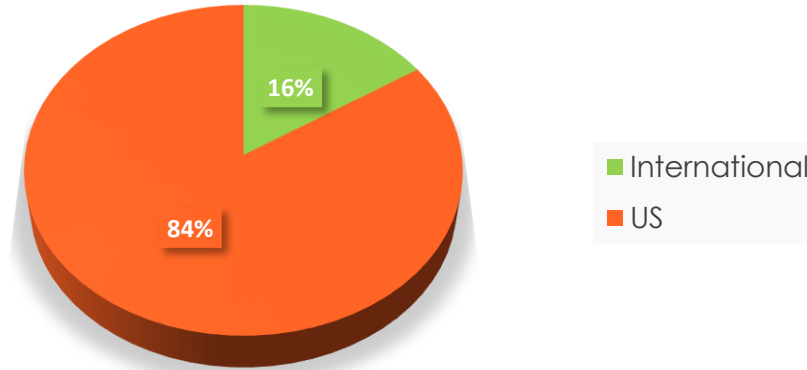
Normally, Durham experiences a significant international investment in the range of 15-25% per year, but in 2016 international investment was approximately 9%.

International Investment: 2016



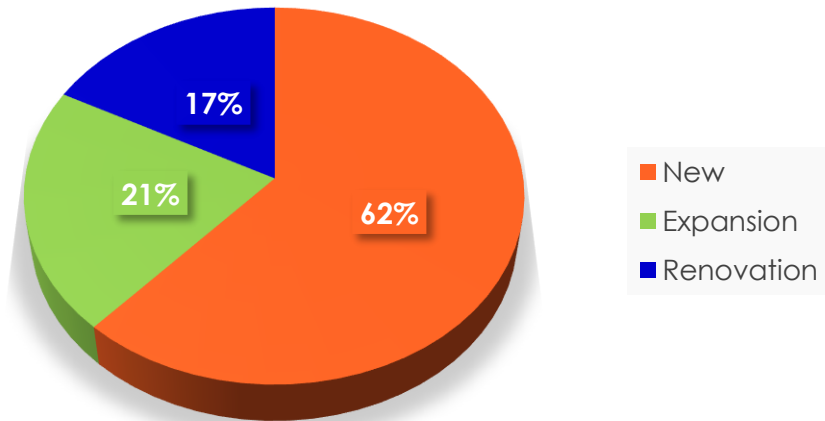
Job creation by international firms still remained in the normal range with the announcement that Aurobindo will be creating 275 new pharmaceutical jobs in Durham.

Jobs Created By International Companies: 2016



In 2016, a new category was added to the announcement compilation called Renovation, this category was added because many of the older buildings on Duke's campus are being renovated for sustainability and usability factors. In addition, many of the buildings constructed during the building boom of the 9980's Durham experienced also needed a refresh in order to be attractive and operationally efficient in today's economy.

Investment By Development Type



New construction consisted of the bulk of the permit value, Renovation was certainly a significant portion of the announcement value.

Not surprisingly, new and expansion activities created the largest number of jobs, but as organizations updated or renovated their space, often times it is to provide a new working environment for its employees which can allow the company to add new employees.

Job Creation By Development Type

