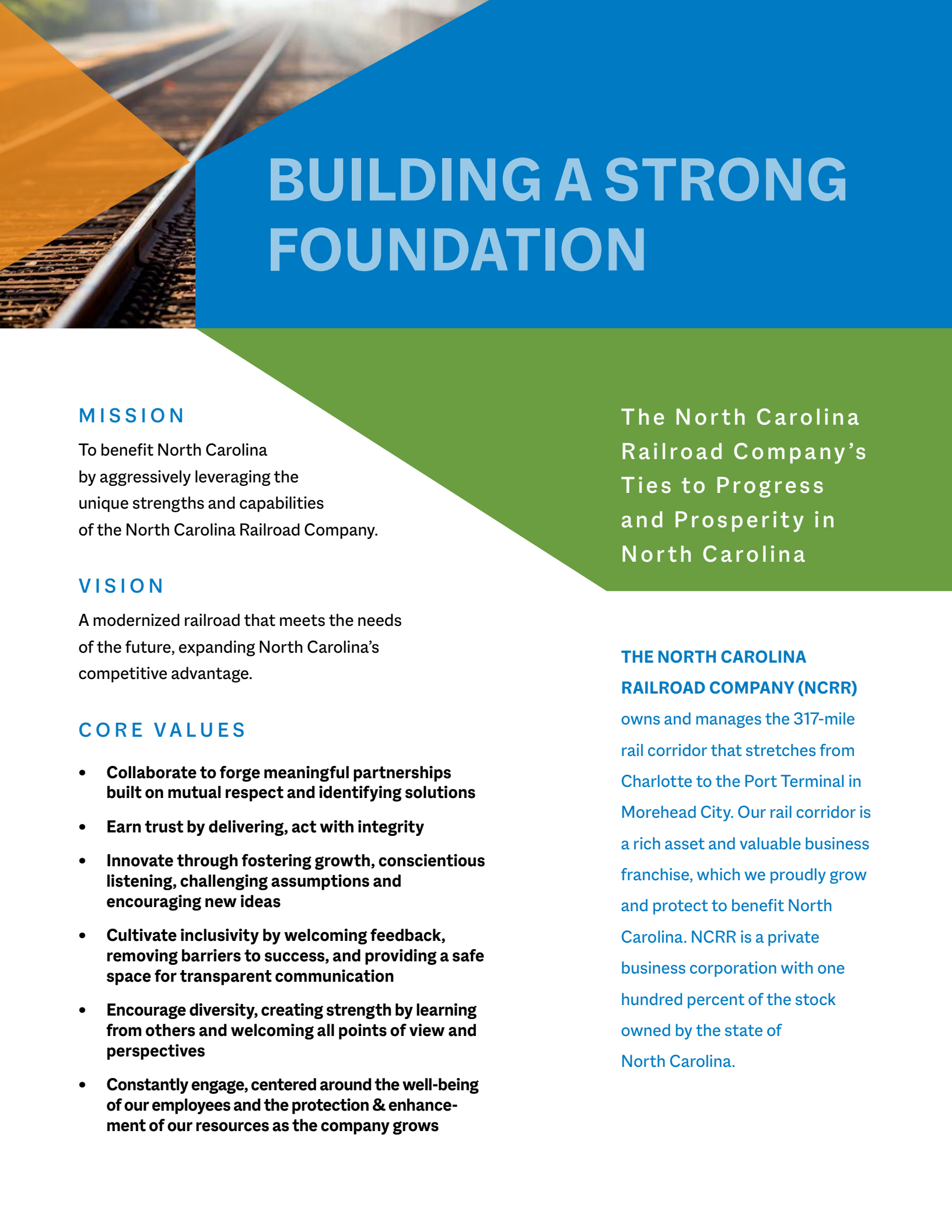




ANNUAL REPORT

NORTH
CAROLINA
RAILROAD
COMPANY

2022



BUILDING A STRONG FOUNDATION

MISSION

To benefit North Carolina by aggressively leveraging the unique strengths and capabilities of the North Carolina Railroad Company.

VISION

A modernized railroad that meets the needs of the future, expanding North Carolina's competitive advantage.

CORE VALUES

- **Collaborate to forge meaningful partnerships built on mutual respect and identifying solutions**
- **Earn trust by delivering, act with integrity**
- **Innovate through fostering growth, conscientious listening, challenging assumptions and encouraging new ideas**
- **Cultivate inclusivity by welcoming feedback, removing barriers to success, and providing a safe space for transparent communication**
- **Encourage diversity, creating strength by learning from others and welcoming all points of view and perspectives**
- **Constantly engage, centered around the well-being of our employees and the protection & enhancement of our resources as the company grows**

The North Carolina Railroad Company's Ties to Progress and Prosperity in North Carolina

THE NORTH CAROLINA RAILROAD COMPANY (NCRR)

owns and manages the 317-mile rail corridor that stretches from Charlotte to the Port Terminal in Morehead City. Our rail corridor is a rich asset and valuable business franchise, which we proudly grow and protect to benefit North Carolina. NCRR is a private business corporation with one hundred percent of the stock owned by the state of North Carolina.

LETTER FROM THE CHAIRMAN



As a representative for our Board of Directors and the NCRR team, I am thrilled to report that 2022 was a highly productive year for the North Carolina Railroad Company.

Building on the momentum of the previous year, we have moved the needle toward our vision of a modernized and competitive railroad company and an economic engine for the state, one that meets and exceeds the expectations of North Carolinians and continues to bring jobs and new business into our state.

In 2022, our commitment to innovation and industrial development, particularly in rural communities, continued with the second year of our Build Ready Site (BRS) program. This innovative program encourages local economic growth and helps to attract new businesses to our state by helping to reduce the risk of developing rail served sites in North Carolina. The 2022 Award Recipients include eight projects in seven counties and an investment of \$3.9 million for communities across the state. Our economic development initiative, NCRR Invests, has continued to support winning competitive projects with significant investments in infrastructure projects across the state.

These programs boost economic potential through job creation and new business, and we are proud to support the future prosperity of North Carolina.

In addition, NCRR made steady progress in 2022 bringing new life to two significant railroad sites, the Raleigh Depot in our state's capital and the Former (1899) Passenger Depot building in Greensboro. These properties bridge the past and future in their communities and for the North Carolina Railroad Company. We can't wait to see both properties realize their full potential as landmarks of creativity and economic growth.

In closing, I would like to express my gratitude to the dedicated NCRR team. Together, we are truly making a difference, and I have no doubt we will continue to bolster economic opportunities across the state.

WILLIAM V. "BILL" BELL
CHAIRMAN
NORTH CAROLINA RAILROAD COMPANY
BOARD OF DIRECTORS

Meet the

NORTH CAROLINA RAILROAD COMPANY

NCRR TEAM

CARL WARREN
President & CEO

ROBERT DOBRONSKI
General Counsel

TRISH HAVER
Sr. Vice President of Business Development & Head of Strategy

MICHELLE JENG
Chief Financial Officer

CATHERINE KNUDSON
Chief of Staff

MASHAL AL KIRDASI
Systems Manager

DONALD ARANT, P.E.
Vice President, Engineering

JOANN BIAZZO-SMITH
Controller

MONIQUE BOOKER
Executive & HR Assistant

TEDDI BURNETT
Real Estate Representative

CONNOR CHRISTENSEN
Economic Development Program Manager

TAELORE FIELDS
Real Estate Asset Manager

KRISTIAN FORSLIN, GISP, PLS
GIS and Survey Manager

HILARY KANUPP, C.A.
Archivist

DAVINA KILLINGSWORTH
Administrative Assistant

JUSTIN MADIGAN
Infrastructure Manager

JASON MENDIETA
Director of Human Resources

JAMAR NIXON
Market Research Analyst

NANCY PICKETT
Business Process Specialist

JASMIN PRIDE-HARRIS
Paralegal & Contract Specialist

AMY SANDIDGE
Director of Sales & Commercial Development

GLEDI SOFTA
Planning & Development Manager

JOE STALLINGS
Director of Economic Development

ILAN WAJSMAN
Vice President, Information Technology

SUSAN WISNIEWSKI
Accounting Manager

EDWARD WU
Director of Engineering



TRISH HAVER

Driving Growth and Innovation at the North Carolina Railroad Company

In April 2022, Trish Haver joined the NCRR Leadership Team. Serving as Senior VP of Business Development & Head of Strategy, Trish brings a wealth of executive experience in the transportation and maritime industries, with previous roles as the CCO of Green Rock Distribution & Logistics in New Orleans, CEO of Pyxis Associates, LLC, in New Orleans, and Vice President of Strategy and Industrial Development for the Port of New Orleans and New Orleans Public Belt Railroad. After earning her BA in Linguistics and Marketing from William & Mary, Trish started her career at Norfolk Southern Corporation, rising through the ranks into several leadership roles in marketing, finance, and business development. During this time, she also earned an MBA in Logistics and Ports Management from Old Dominion University, where she completed a thesis analyzing the advantages of rail economics on global supply chains. Trish's results-driven approach to leadership helps her excel in business development, operations management, strategic planning, financial analysis, and logistics management. We're thankful to have her on the team and we look forward to her future work bringing progress and prosperity to the state.

LEADERSHIP SPOTLIGHT

BOARD OF DIRECTORS

WILLIAM “BILL” V. BELL, Chairman

Durham

*Executive Vice President/COO,
UDI Community Development
Corporation (UDI/CDC)*

MICHAEL L. WEISEL

Vice Chairman

Raleigh

*Managing Member, Capital Law
Group*

JACOB F. ALEXANDER III

Salisbury

The Alexander Companies, Inc.

CHARLES BOWMAN

Charlotte

Retired, Bank of America

MICHAEL S. FOX

Greensboro

Partner, Tuggle Duggins, P.A.

MALCOMB COLEY

Charlotte

*Central Region Private Leader &
Charlotte Managing Partner, EY*

STEVE LERNER

Chapel Hill

*Founder & Managing Partner, Blue
Hill Group*

JAMES E. NANCE

Albemarle

*Managing Member, North State
Acquisitions, LLC*

TOMMY GLASGOW

Morehead City

*Retired, Clancy & Theys
Construction Company*

GEORGE ROUNTREE III

Wilmington

*Attorney & Special Counsel,
Rountree Losee, LLP*

FRANKLIN ROUSE

Leland

*President, Rouse Insurance Agency,
Inc.*

MICHAEL WALTERS

Fairmont

*President, Claybourn Walters
Logging Co., Inc.*

JORDAN WHICHARD

Raleigh

*Chief Deputy Secretary, North
Carolina Department of Commerce*



BUILD READY SITES

Our Role in Building North Carolina's Competitive Advantage

The North Carolina Railroad Company started the Build Ready Sites (BRS) program in 2021. The program provides funding for potential rail-served sites to develop land and become “build ready” to attract new businesses to the area. Award recipients must undergo a rigorous application and site review process. Recipients can use BRS funds for land preparation (clearing/grading) and critical water/sewer extension. This innovative program encourages business investment in the state, fosters growth in local communities and expands North Carolina's competitive edge.

Through this program, North Carolina is positioned for greater economic development opportunities as rail-served sites are made build-ready without an upfront investment from a client. As a result, communities can work proactively toward attracting new businesses.

\$6.82
MILLION
IN TOTAL
PROGRAM
AWARDS

BUILD
READY
SITES

2021
RECIPIENTS

Introduced in 2021 as a significant opportunity to invest in North Carolina's communities, the BRS program is designed to eliminate common roadblocks to economic advancement – the availability of sites that are ready for development.

With an investment of \$2.92 million from NCRR during its first year, the program has proven to be a catalyst for growth by accelerating the available rail-served sites, decreasing development risk, attracting new business to the state, and creating jobs.

The 2021 Build Ready Sites Award Recipients represent six North Carolina counties:

- Alexander County EDC Site in Taylorsville (**ALEXANDER COUNTY**) **\$500,000 Award**
- Butler Hill Site in Drexel (**BURKE COUNTY**) **\$500,000 Award**
- Eastfield Business Park in Selma (**JOHNSTON COUNTY**) **\$750,000 Award**
- Candor Property in Candor (**MONTGOMERY COUNTY**) **\$500,000 Award**
- Iron Horse Industrial Park in Aberdeen (**MOORE COUNTY**) **\$167,670 Award**
- Ayden Rail Site in Ayden (**PITT COUNTY**) **\$500,000 Award**

12
COUNTY
RECIPIENTS

14
TOTAL
PROJECTS

BUILD
READY
SITES

2022
RECIPIENTS

2022 marked the second year of success with the BRS program. The program had a 25% increase in applications in its second year.

With even greater emphasis on establishing build-ready rail sites, we expect more business development, available jobs, and prosperity in communities across the state.

In its second year, NCRR expanded the initiative with a \$3.9 million investment in eight projects across seven North Carolina counties for the 2022 Build Ready Sites Award Recipients:

- Beaufort County Industrial Park (BEAUFORT COUNTY) \$500,000 Award
- Claremont International Rail Site (CATAWBA COUNTY) \$500,000 Award
- CAM Site (CHATHAM COUNTY) \$500,000 Award
- Midstate Development Center (CHATHAM COUNTY) \$500,000 Award
- Project Tin Cup (IREDELL COUNTY) \$500,000 Award
- Candor Downtown Site (MONTGOMERY COUNTY) \$500,000 Award
- 311 South Site (RANDOLPH COUNTY) \$500,000 Award
- Scotland Incubator Park (SCOTLAND COUNTY) \$400,000 Award

“We applaud the North Carolina Railroad Company and its initiatives like the Build Ready Sites program that drive greater economic potential across North Carolina. With this innovative site readiness program, NCRR is accelerating the development of rail-served sites, encouraging the creation of new jobs, and bringing new business investment to our state. Kudos to NCRR and to the successful applicants for this latest round of funding awards.”

CHRISTOPHER CHUNG

CHIEF EXECUTIVE OFFICER

ECONOMIC DEVELOPMENT PARTNERSHIP OF NORTH CAROLINA

NCRR INVESTS

Building a Foundation for North Carolina's Economic Advancement

The NCRR Invests program evaluates requests for investments to address the freight rail infrastructure needs of businesses considering North Carolina for locations or expansions. The goal of any NCRR investment is to drive job creation, promote rail use, and support economic growth.

Since the creation of *NCRR Invests* in 2016, NCRR has committed over \$17 million to help secure the new or expanded locations of 18 manufacturing facilities, resulting in over 10,000 new jobs and local capital investment of more than \$11 billion by the companies locating to the state.

NCRR INVESTS PROJECTS ANNOUNCED IN 2022

SUMITOMO FORESTRY RAIL-SERVED SITE

NCRR is investing \$200,000 to help establish a rail-served site in Archdale, where Sumitomo Forestry America, a housing and wood products company, is building a manufacturing facility. The new production facility will be served by Norfolk Southern and will increase yearly activity by 364 rail cars. This project will create 129 jobs in Randolph County with an average salary of \$45,782, over \$5,000 higher than the current average wage in the area, and is estimated to grow the state's economy by \$308.3 million over the next 12 years.



TECHNIMARK

Our \$250,000 investment will assist Technimark, a global manufacturing provider for the healthcare, consumer packaging, and specialty industrial markets with headquarters in Asheboro, in expanding its operations in Randolph County through the construction of a new onsite rail spur for Norfolk Southern. The project will increase yearly activity by 40 rail cars and create 220 new jobs for the area with an average salary of \$44,290, nearly \$4,000 more than the current average wage in Randolph County.



NUCOR

NCRR is investing \$750,000 to assist Charlotte-based Nucor, the largest producer of steel in the United States, in building a new micro mill steel plant in Lexington. This addition will create 180 jobs for skilled workers in Davidson County, with an average salary of \$99,660, nearly double the current average wage in the County. With the expansion, Nucor expects to produce 430,000 tons of rebar annually made of nearly 100% recycled material, a feat that will establish the manufacturer as a provider of the cleanest sustainable steel globally.



\$2.8
MILLION

NCRR INVESTS
COMMITMENT
in 2022

ATTRACTING
OVER

\$4.4
BILLION

IN PRIVATE
INVESTMENT

NEARLY

8,500

JOBS CREATED
in 2022

“We look forward to partnering with North Carolina Railroad Company on the development of this facility, which will not only help builders and developers with supply chain needs but will also contribute to the local economy and community. We greatly appreciate the support we received and will continue to share updates as the project progresses.”

ATSUSHI IWASAKI

PRESIDENT

SUMITOMO FORESTRY AMERICA, INC.

VINFAST

NCRR is providing a significant investment of \$1 million to help private auto manufacturer VinFast establish an electric vehicle assembly and battery manufacturing facility in Chatham County, the first for the company in the United States. This project will bring significant economic growth to the area, including 7,500 new jobs, and the new freight rail infrastructure serving the facility will increase activity by a minimum of 5,000 rail cars annually.



SERVICE OFFSITE SOLUTIONS

With an investment of \$300,000, NCRR is proud to be part of the future of homebuilding with the establishment of a new manufacturing facility by Service Offsite Solutions, a supplier of offsite homebuilding solutions that utilizes innovative processes and high-tech equipment and tools. This Sanford facility will be the first home-building operation of its kind to take advantage of this groundbreaking approach in the United States. The project will increase activity by 150 rail cars annually and will add 235 jobs to Lee County, with an average annual salary of \$50,470 in an area where the current average salary is \$42,516.



SHERWIN WILLIAMS

With a \$300,000 investment from NCRR, Sherwin Williams is able to expand its current North Carolina facility by 36,000 square feet and build a larger, 800,000-square-foot distribution and fleet transportation center at the Statesville site. This project will create 183 jobs in Iredell County, and the payroll impact from these new positions will add more than \$10 million each year to the local economy, as well as increase rail activity by 600 rail cars annually.



NORTH CAROLINA RAILROAD COMPANY ECONOMIC DEVELOPMENT

TENNESSEE

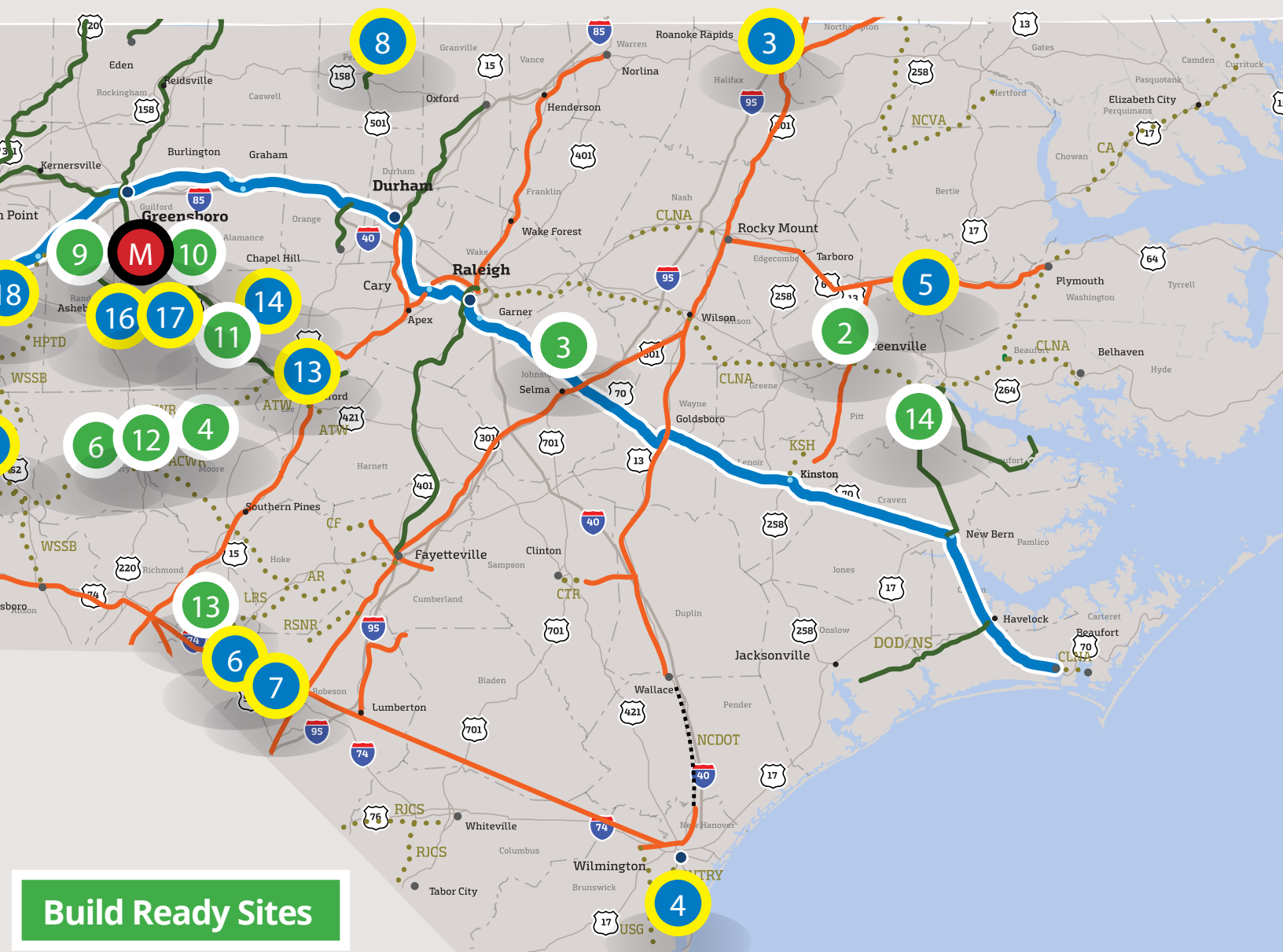


GEORGIA

SOUTH CAROLINA

NCRR Invests

Company	Jobs Created	NCRR Invested	Company Invested	Date	County
1. Borealis Compounds	47	\$225,000	\$15 million	May 2017	Alexander
2. Egger	770	\$6.4 million	\$700 million	Jul 2017	Davidson
3. JBB Packaging	50	\$400,000	\$11.9 million	Nov 2018	Halifax
4. National Gypsum	51	\$400,000	\$25 million	May 2017	New Hanover
5. Weitron	31	\$467,000	\$7 million	Apr 2017	Martin
6. Edwards Wood Products	91	\$450,000	\$50 million	Jul 2017	Scotland
7. Mountaire Farms	65	\$650,000	\$44 million	Jan 2017	Scotland
8. Nestle Purina	300	\$2.1 million	\$450 million	Oct 2020	Rockingham
9. Charlotte Pipe and Foundry	400	\$1.5 million	\$325 million	June 2020	Stanly
10. Liberty Storage Solutions	50	\$350,000	\$8 million	June 2021	Davie
11. Red Bull/Rauch/Ball	633	\$700,000	\$900 million	July 2021	Cabarrus
12. Sherwin-Williams	183	\$300,000	\$324 million	Feb 2022	Iredell
13. Service Offsite Solutions	235	\$300,000	\$18 million	Mar 2022	Lee
14. VinFast	7,500	\$1 million	\$4 billion	Mar 2022	Chatham
15. Nucor	180	\$750,000	\$350 million	April 2022	Davidson
16. Technimark	220	\$250,000	\$62 million	April 2022	Randolph
17. Sumitomo Forestry America, Inc	129	\$200,000	\$19.5 million	Dec 2022	Randolph
18. Siemens Mobility	506	\$1 million	\$220 million	Mar 2023	Davidson



County	NCRR Award Amount	County	NCRR Award Amount
1. Alexander 2021	\$500,000	8. Iredell 2022	\$500,000
2. Pitt 2021	\$500,000	9. Randolph 2022	\$500,000
3. Johnston 2021	\$750,000	10. Chatham 2022	\$500,000
4. Moore 2021	\$167,000	11. Chatham 2022	\$500,000
5. Burke 2021	\$500,000	12. Montgomery 2022	\$500,000
6. Montgomery 2021	\$500,000	13. Scotland 2022	\$400,000
7. Catawba 2022	\$500,000	14. Beaufort 2022	\$500,000

Greensboro-Randolph Megasite

Company	Jobs Created	NCRR Invested	Company Invested	Date	County
Toyota	2,100	\$35 million	\$3.79 billion	Dec 2021	Randolph

REACHING OUT FOR PROSPERITY

More revitalization is coming to Lexington with a \$220 million manufacturing facility built by Siemens Mobility, a leading provider of sustainable and efficient transport solutions with headquarters in Munich, Germany.

Based on work that began in 2022, and as part of our economic development initiative NCRR Invests, the North Carolina Railroad Company invested \$1 million in March of 2023 to help make this project a reality. In partnership with Davidson County, the City of Lexington, the North Carolina Department of Commerce, the North Carolina Department of Transportation, the North Carolina General Assembly, and Norfolk Southern, Siemens Mobility's project will establish this new east coast manufacturing facility.

Siemens Mobility is a global leader in transportation solutions and has over 39,000

employees worldwide. The facility will create a substantial 506 new jobs for Davidson County, and altogether, it's estimated that these new jobs will pay 114% of the County's current average annual wage.

NCRR's investment will go toward the construction and building materials for new on-site rail infrastructure operations, an addition that will increase annual rail activity by 264 rail cars. With the creation of over 500 new jobs in the area and a significant boost to the local and state economy, this project is another step toward positioning our state as a nationwide leader in the rail industry.

This project is an excellent example of how NCRR contributes to NC's competitive advantage through monetary investments and its strong rail expertise.

506
NEW JOBS
CREATED
FOR DAVIDSON
COUNTY

114%
OF COUNTY'S
CURRENT AVERAGE
ANNUAL
WAGE

INCREASE
IN ANNUAL RAIL
ACTIVITY BY
264
RAIL CARS



REZONING FOR PROGRESS

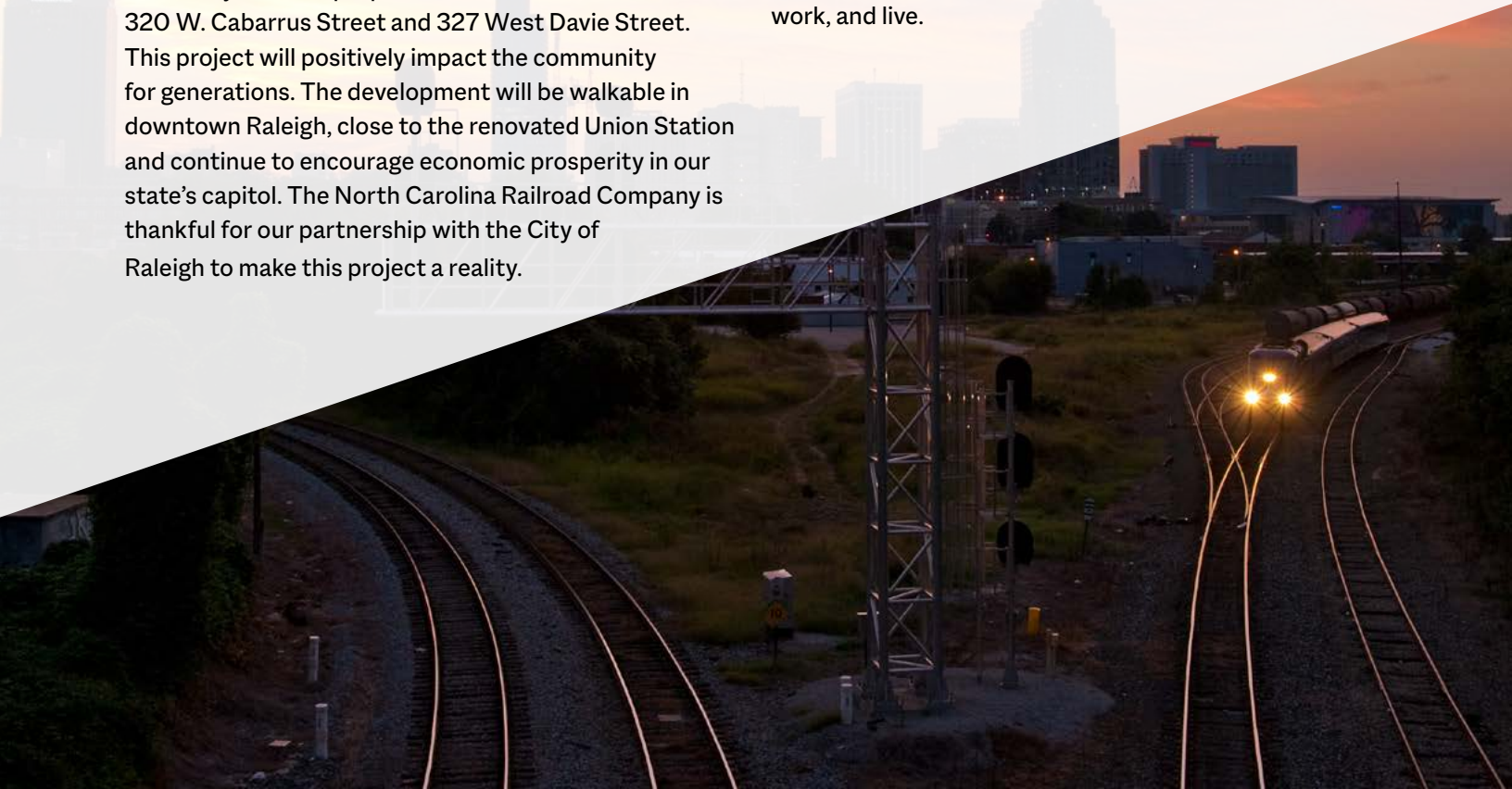


In 2022, the North Carolina Railroad Company completed a rezoning request in Wake County to redevelop properties located in downtown Raleigh's Warehouse District. This rezoning project and its benefit for the local community was enthusiastically passed by the Raleigh City Council in September 2022.

The newly rezoned properties are located at 320 W. Cabarrus Street and 327 West Davie Street. This project will positively impact the community for generations. The development will be walkable in downtown Raleigh, close to the renovated Union Station and continue to encourage economic prosperity in our state's capitol. The North Carolina Railroad Company is thankful for our partnership with the City of Raleigh to make this project a reality.



Our team is committed to helping downtown Raleigh thrive. The Raleigh Depot redevelopment project will complement and support the revitalized rail station in downtown Raleigh, which was designed to spur new development as well as encourage more passenger rail use. This Raleigh Depot rezoning is a step toward realizing this community vision of a re-energized downtown with more spaces to gather, work, and live.



REVITALIZATION IN GREENSBORO

North Carolina Railroad continues to focus on community revitalization with the new 1899 Depot Project in Greensboro. Fostering partnership with the City of Greensboro, the Preservation Greensboro Development Fund, and Downtown Greensboro, Inc., NCCR will restore a 123-year-old passenger depot located at 400 South Elm Street in historic downtown Greensboro.

Built in 1899, the Richardsonian Romanesque landmark originally boasted dormer windows with decorative finials, elaborate brickwork with granite trim, a clay tile roof, a canopy, and a three-story turret. A fire in 1927 damaged the roof and upper floor to such an extent that the building was reduced to a utilitarian two-story flat roof structure.

Vacant for more than a decade, the building sits at a crossroads of usefulness. With a vision of restoration over possible demolition, NCCR purchased the historic structure from Norfolk Southern Railway in 2022. The station was listed on the National Register of Historic Places in April 1980 and is part of the Downtown Greensboro Historic District; this makes it eligible to receive historic-preservation tax credits from the state and federal government. NCCR is currently working on renovation designs and cost estimates and is eager to begin work on the restoration, with input, support, and coordination with local partners.

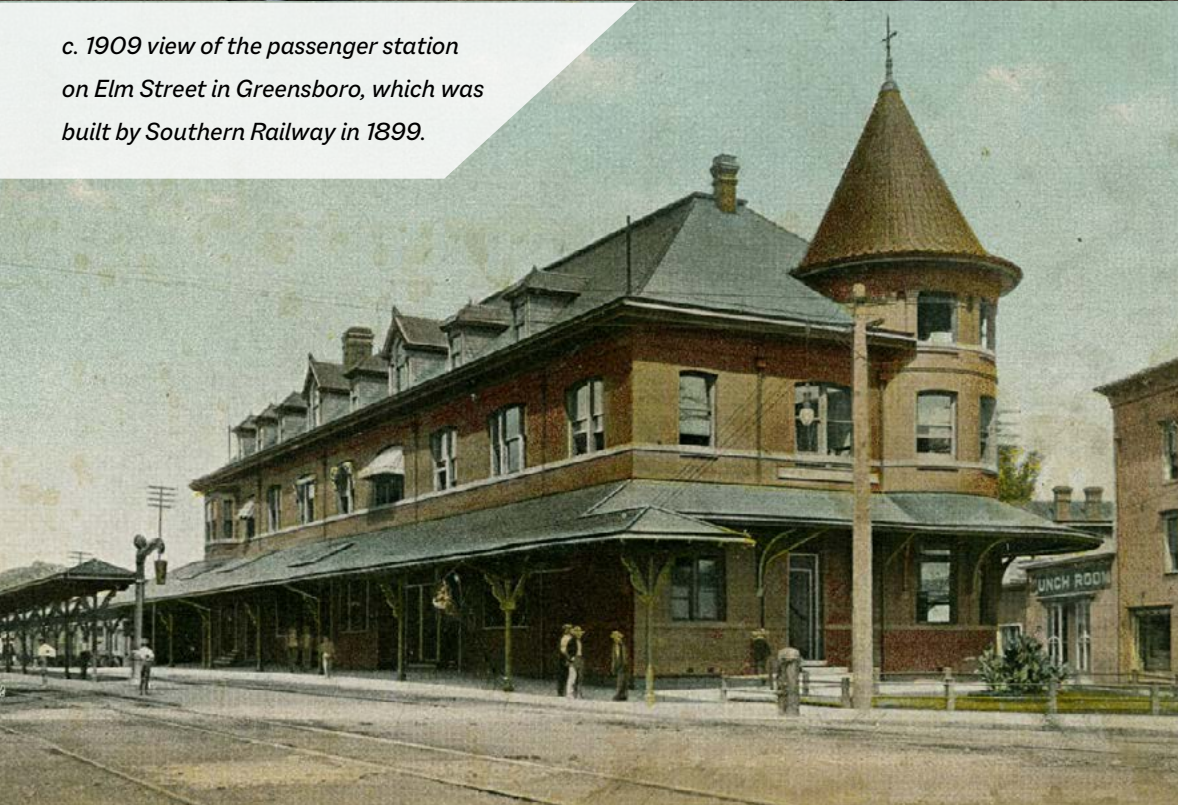
This initial rendering by Clearscapes depicts how the renovated building could appear.



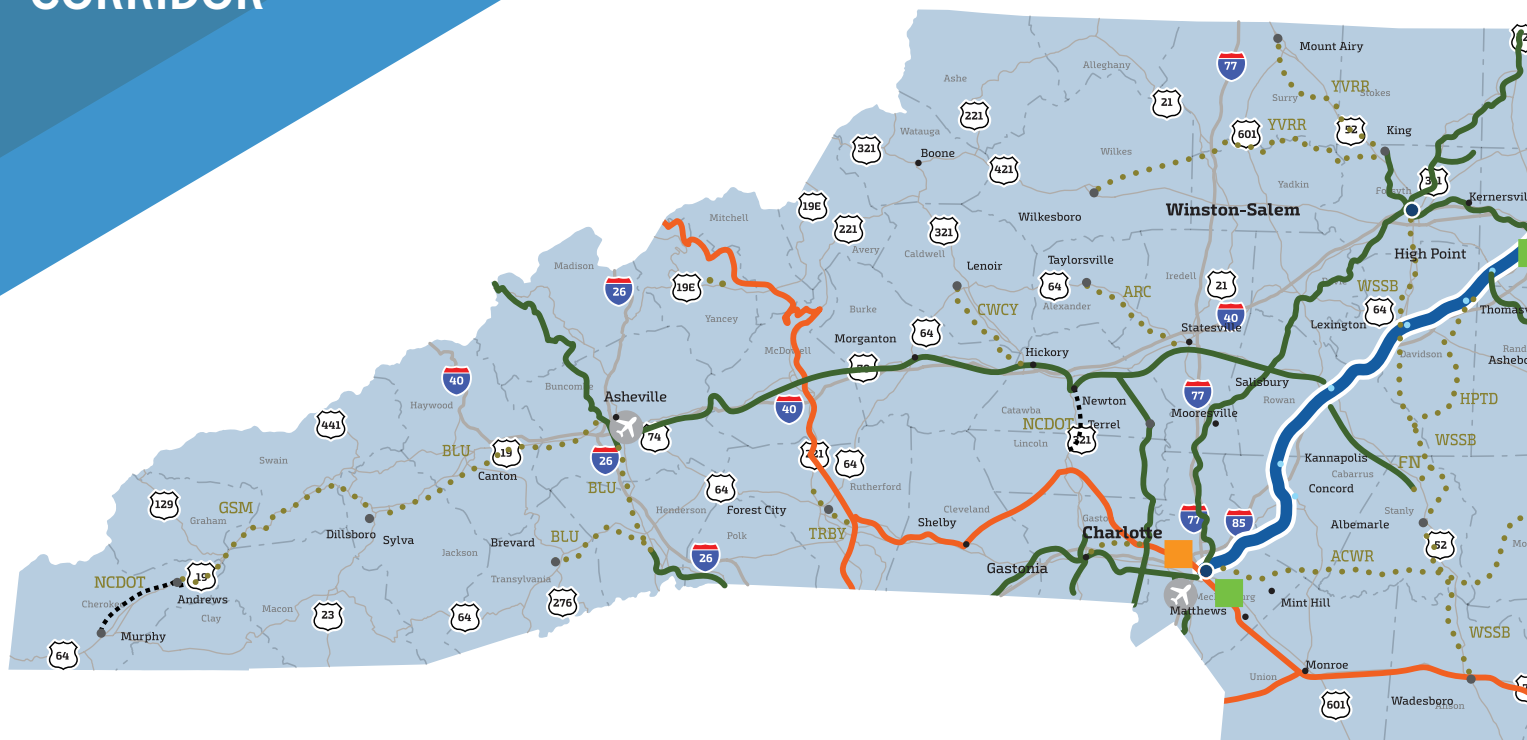


*The building as it appears today.
The top floor was damaged by fire in
1927 and refinished with a flat roof.*

*c. 1909 view of the passenger station
on Elm Street in Greensboro, which was
built by Southern Railway in 1899.*



NORTH CAROLINA RAILROAD COMPANY CORRIDOR

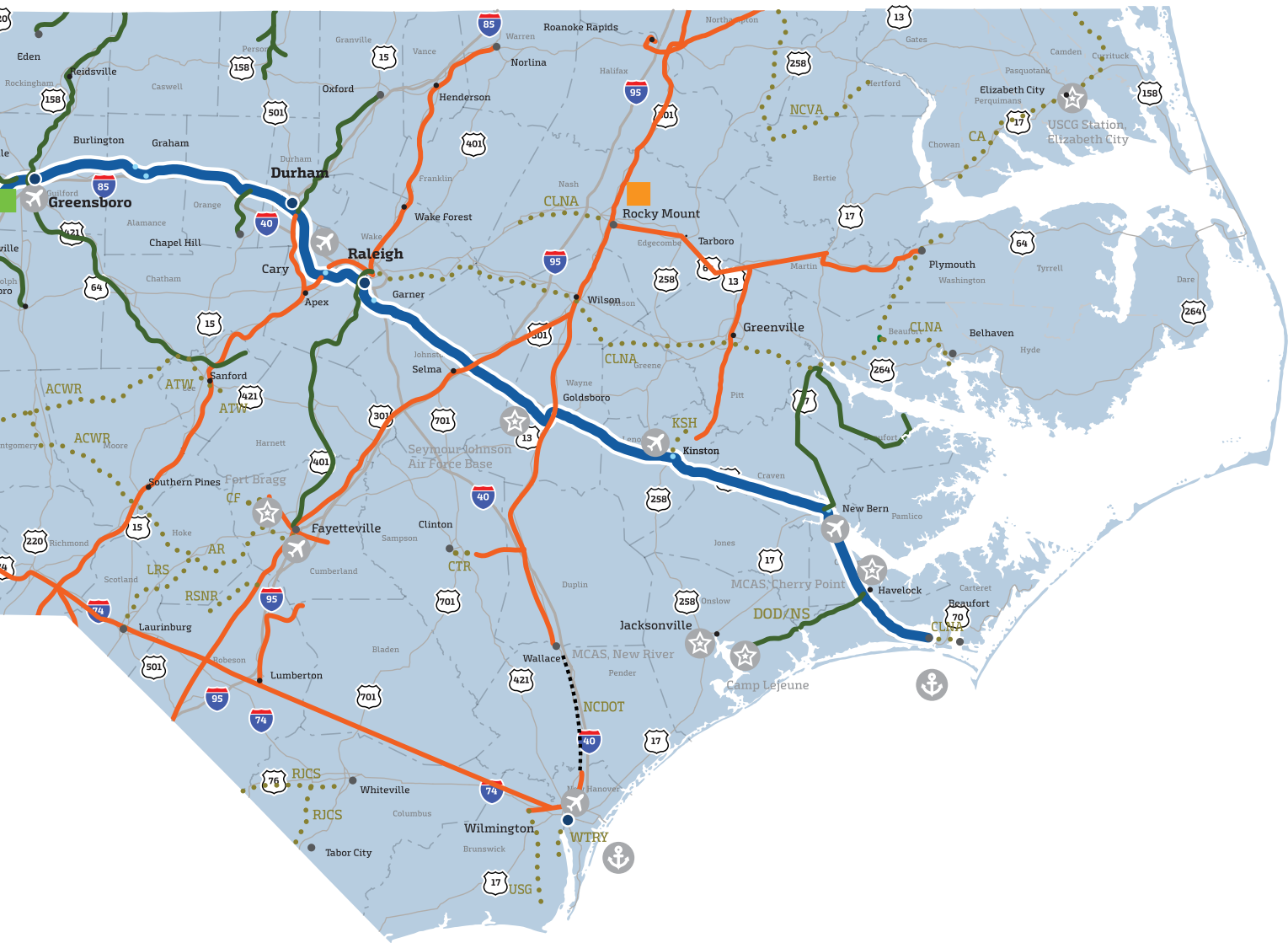


- North Carolina Railroad Company
*Norfolk Southern Class I Freight Service
- Norfolk Southern
- CSX Transportation
- Various Shortlines

 Norfolk Southern

 CSX Transportation

- Military Bases
- Seaports
- Airports









 @NCRAILROAD

 NORTH CAROLINA RAILROAD COMPANY



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