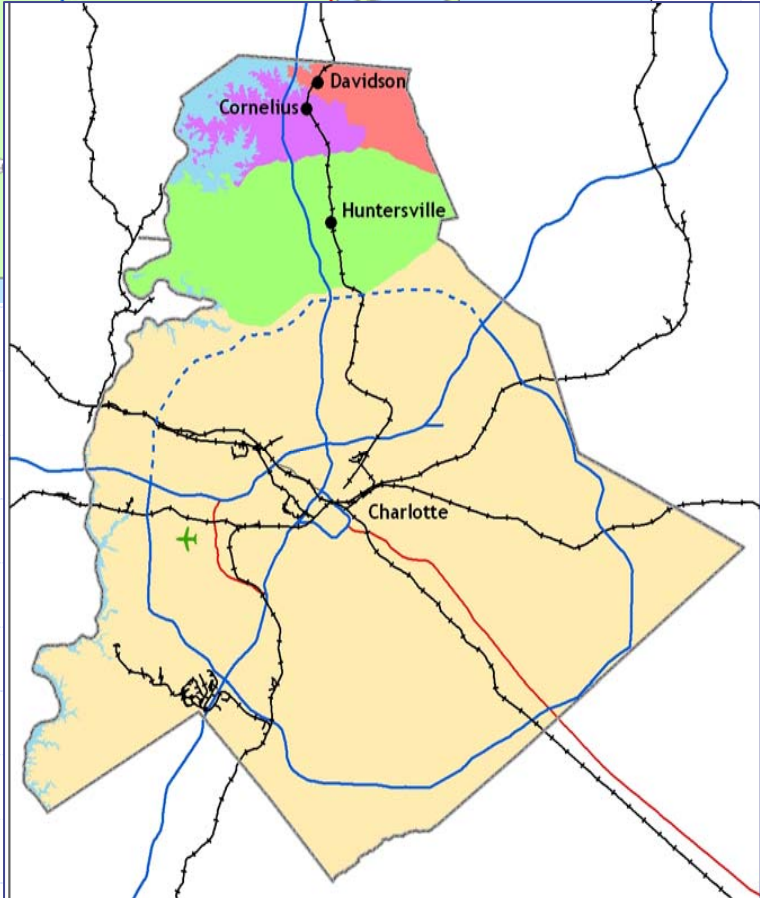
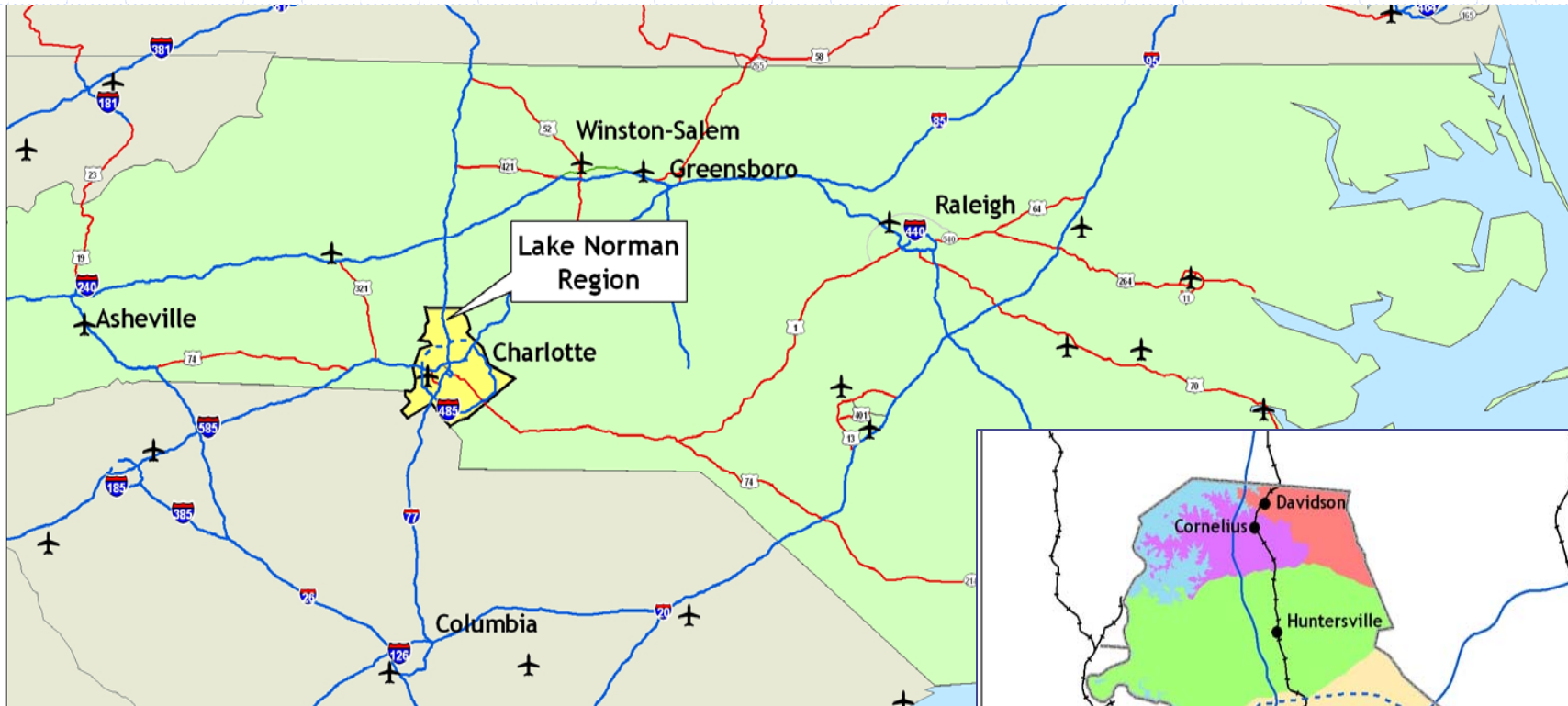


Regional Economic Development in Practice: The Lake Norman Region



Huntersville 101

The Towns would like to thank Dr. Bill McCoy at the Urban Institute at UNC-Charlotte and Bob Leak and Bob Goforth, authors of the North Mecklenburg County Study, for providing information that assisted in the creation of this presentation.



*The Lake Norman Region,
comprising the Towns of
Huntersville, Cornelius and
Davidson in North
Mecklenburg County*

The Process of Developing the Partnership



The Players



Geographical Area

Town Name	Corporate Limits	Sphere of Influence
Huntersville	40 sq. miles	63.35 sq. miles
Cornelius	10 sq. miles	14.81 sq. miles
Davidson	5 sq. miles	6.8 sq. miles



	2000 (Actual)	2010	2020	2030
Huntersville	27,801	52,756	78,519	100,796
Cornelius	14,439	22,990	30,748	37,529
Davidson	7,424	11,775	17,082	21,775
North Mecklenburg Total	49,664	87,521	126,349	160,100

Source: RLUTA, 2005.

Future is Now: Dilemma Recognized

- ◆ Towns have a heavy and increasing dependence on residential tax base
- ◆ Research and experience suggest that residential units – on average – do not pay for themselves
- ◆ The demand for housing in North Mecklenburg is escalating
- ◆ Increasing dependence on residential tax base will lead to increasing the property tax and/or searching for new revenue sources

Future is now: Dilemma Recognized

- ◆ An alternative to increasing exactions from the residential base is to increase the commercial component of the tax base.
- ◆ Cost of service studies indicate that providing services to commercial property costs from .35¢ to .60¢ (depending on type of commercial use) for every \$1.00 collected in taxes.
- ◆ Return from taxes on commercial property can make up shortfalls from the residential component.
- ◆ **To have the option for continued commercial development over the next twenty-five years, the towns must protect potential sites NOW!**

Cost of Service – Development Impact

- ◆ The following trends are assumed and expected to continue:
 - Households in North Mecklenburg will basically triple over the next 30 years
 - There is a fairly high consensus among analysts that households on average cost are equal to or greater than \$1.15 for service for every \$1 produced in taxes
- ◆ For purposes of illustration, assume the average property tax (county and town combined) is \$2,000 annually per household
 - The cost of service, using the \$1.15 or \$0.15 above tax revenue, for this new household paying \$2,000 in taxes, would be \$2,133 per year to provide services, an annual shortfall of \$133.

Cost of Service – A Hypothetical Case

Town of Cornelius: 10-year shortfall	Combined County and Town Shortfall	Cornelius' Share of Shortfall
Year 1	\$66,500	\$17,290
Year 2	\$133,000	\$34,580
Year 3	\$266,000	\$69,160
Year 4	\$532,000	\$138,320
Year 5	\$1,064,000	\$276,640
Year 6	\$2,128,000	\$553,280
Year 7	\$4,256,000	\$1,106,560
Year 8	\$8,512,000	\$2,213,120
Year 9	\$17,024,000	\$4,426,240
Year 10	\$34,048,000	\$8,852,480

Source: Dr. Bill McCoy, UNCC Urban Institute

- ◆ Based on **500 new homes annually** from 2000 to 2030.
- ◆ Notice the compounding that takes place annually, indicating the need to diversify the tax base.

Cost of Service – Development Impact

- ◆ A 2005 study of Lancaster County (located in the Charlotte Metro region) conducted by the Clemson Institute for Economic and Community Development concluded it would cost \$1.23 to service every \$1.00 produced in revenue
- ◆ A 2004 study by the Office of Economic Development at the Keenan Institute of Private Enterprise at the University of North Carolina cited a paper from the University of Illinois Extension for Local Governments, stating that for every \$1 new residential development brings in, local government expends \$1.15 to \$1.50, while ratios for commercial expansion range from \$0.35 to \$0.60 and open land \$0.30 to \$0.50.
- ◆ A four community study by the University of Georgia in 2002 found that it took \$1.24 to \$2.26 in community services for every \$1 generated by residential development.

Cost of Service – Development Impact

Location	Residential Building Cost	Commercial Building Cost	Farmland, Forest and Open Space Cost
Carroll County, MD	1:1.22	1:0.55	1:0.47
Cecil County, MD	1:1.12	1:0.28	1:0.37
Culpeper Co, VA	1:1.25	1:0.19	1:0.19
Connecticut average	1:1.06	1:0.47	1:0.43
Massachusetts average	1:1.12	1:0.41	1:0.33
New York average	1:1.24	1:0.24	1:0.35
Town of Dunn, WI	1:1.06	1:0.29	1:0.18
Minnesota average	1:1.04	1:0.39	1:0.50
Ohio average	1:1.41	1:0.23	1:0.34
Average	1:1.17	1:0.33	1:.034

Source: Assorted sources such as Vance and Larson, 1988 (Culpepper County, VA); American Farmland Trust, 1992 (Connecticut, Mass, New York Averages); Hulsey, 1996 (Dunn, WI); American Farmland Trust, 1994 (Minnesota and Ohio averages); Carroll County Board of Planning, 1996; Cecil County Office of Economic Development, 1994.

North Mecklenburg County Study

- ◆ 2002 Study by Leak-Goforth funded by Lake Norman Chamber
- ◆ Focused on 3 Major Needs in Area
 - 1 – **Expand** Job Opportunities in North Mecklenburg
 - 2 – **Upgrade** Local Jobs
 - ◆ Were primarily lower wage service and retail jobs
 - 3 – **Diversify** Local Tax Base
 - ◆ Huntersville – 76% residential
 - ◆ Cornelius and Davidson – 83% residential
- ◆ Recommended Sites for Development
- ◆ Recommended Forming a Non-profit Economic Development Corporation to operate on the Towns' behalf.
 - Main outgrowth – Lake Norman Regional EDC

Lake Norman Regional EDC

- ◆ Serve 5 Key Functions
 - Community Improvement
 - Site Development
 - Internal Communications
 - Industry Relations
 - External Marketing
- ◆ Incorporated Non-profit - May 13, 2003
- ◆ June 16, 2003 – 3 Towns signed joint-agreement for economic development support
- ◆ 3 Towns' Mayors and Managers and Executive from LKN Chamber constituted its Board of Directors
- ◆ EDC Director hired September of 2003

LNREDC - cont.

- ◆ Funded by three towns on per capita basis (based on pop. figures from the State)
 - \$5.00 per resident
 - LNREDC also receives support services from the Towns
 - ◆ Huntersville serves as the fiscal agent
 - ◆ Davidson handles its Information Technology needs

Interlocal Agreement

- ◆ Town of Huntersville purchased Brookwood property (former nursing home) in February of 2005 (land previously rezoned to Corporate Business) to redevelop for economic development purposes.
 - Important to note – Brookwood property would have likely become residential development without Huntersville stepping up to acquire it.
- ◆ Interlocal agreement signed by three towns and Mecklenburg County in March of 2005 for development of North Mecklenburg Industrial Park at the Brookwood site (County contributed \$2.3 million).



Brookwood – NMIP – Commerce Station



- ◆ 126 acres
- ◆ Rezoned land from Neighborhood Residential to Corporate Business
- ◆ Aerial photos taken in late October

- ◆ Cost and revenue sharing (on per capita basis) as part of interlocal agreement – 60/25/15 percent between Huntersville, Cornelius and Davidson (population figures based on Powell Bill)



Commerce Station – Masterplan



Prairie Packaging (now Pactiv Corp.)

- ◆ 1st tenant in Industrial Park
- ◆ Announced June 20, 2005
- ◆ 242 jobs (as many as 400)
- ◆ \$80 million initial investment
 - Could grow to \$120 million
- ◆ Average Salary: \$34,164
- ◆ Job Development Investment Grant
- ◆ 260,000 square foot facility opened in 2006 and may ultimately expand to 700,000 square feet and over 400 employees



Prairie Packaging Ribbon Cutting



“In two years’ time, we have transformed a green field into a state of the art manufacturing facility that is producing plastic cups as we speak...The fact that 24 months from when we started we now have a functioning building in a burgeoning industrial park, is a true testament to the can do spirit of all the local officials who worked on this project.”

-- Ben Shapiro, VP for Planning with Prairie Packaging

September 20, 2006

Prairie Packaging Growth

- ◆ Since Opening in Summer 2006
 - More than 250 employees
 - Over \$30 million capital investment
 - Continue to add manufacturing lines
 - Continue to add products
 - Possible facility expansion



Commerce Station Continuing Development

◆ Sewer Line Project

- Opening 100+ acres for development
- CDBG Grant

◆ Entrance Road Project

- Bridge over NC-115 and Norfolk Southern Rail lines (EDA Grant)
- Three towns additional funding

Commerce Station Improvements

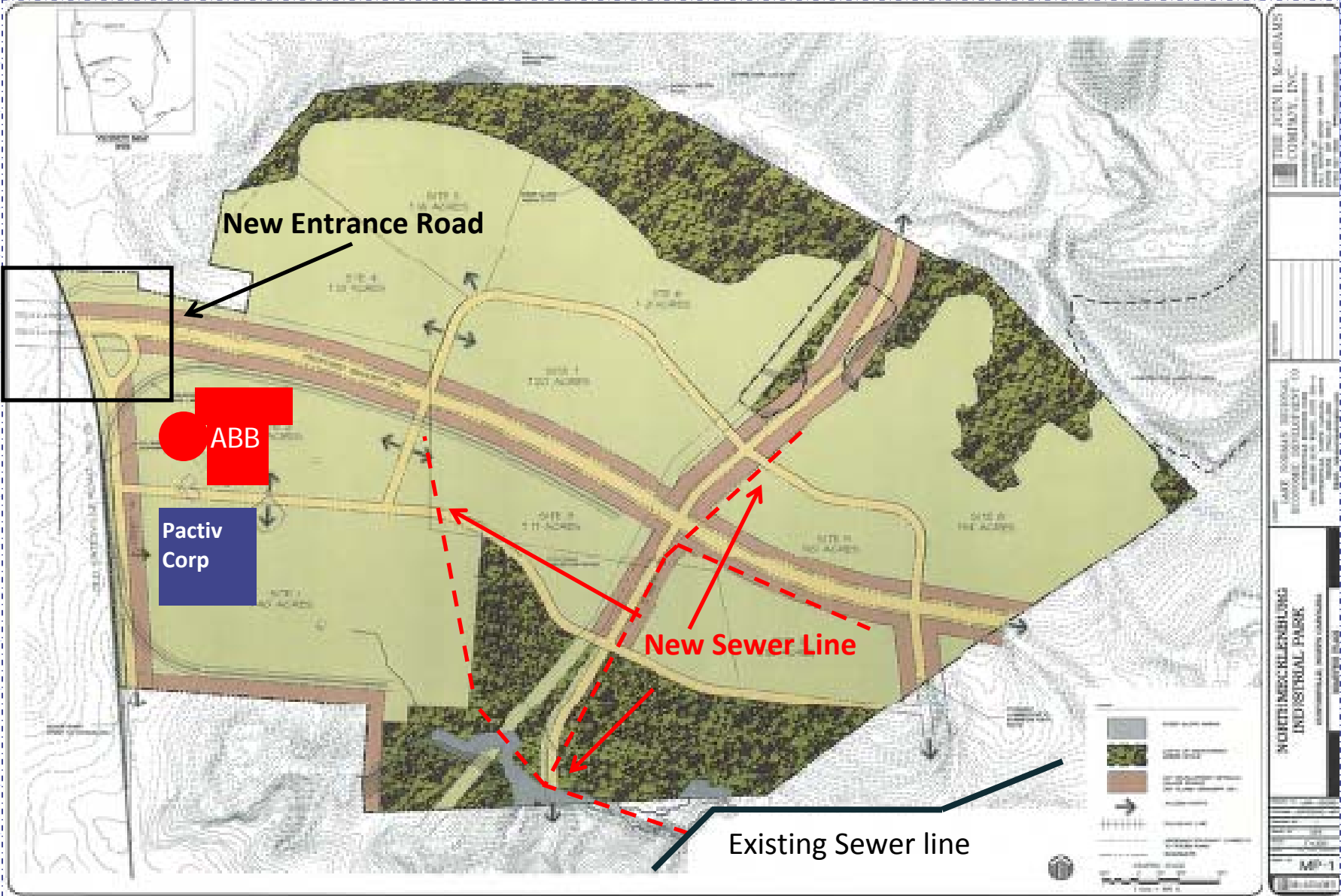


ABB Selects Huntersville

- ◆ September 9, 2010: ABB, the leading power and automation technology group, announced selection of Huntersville as the site for a new manufacturing facility.
- ◆ New plant will manufacture high-voltage land power cables for use in AC and DC applications.
- ◆ ABB is investing approximately \$90 million in the new manufacturing facility, which will employ more than 100 people.



ABB Selects Huntersville



- ◆ Initial site begun early in 2011, with construction of the main facility—including an extrusion tower of over 350 feet—slated for completion in the second half of 2012.
- ◆ The Huntersville factory will produce high-voltage and extra-high voltage cables that are increasingly being used to transport power over long distances from remote renewable energy sources such as wind and solar.
- ◆ Hiring for job opportunities at the new ABB cable plant will begin in the second half of 2011, following plant construction

ABB Groundbreaking

- ◆ April 4, 2011 - Gov. Perdue attended Groundbreaking Ceremony at CPMC North Campus

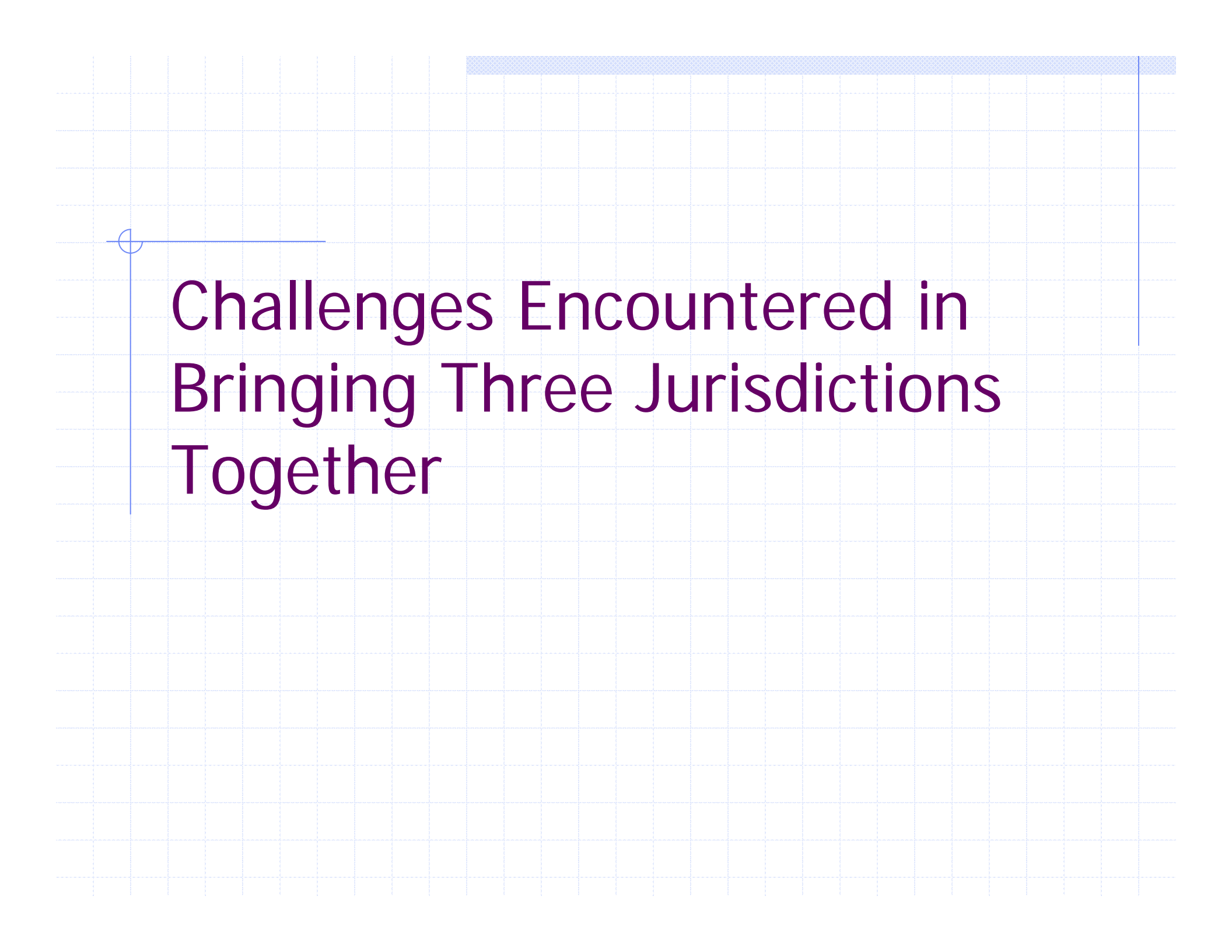


ABB Construction Progress (Feb 2012)



Other Economic Development Accomplishments

- ◆ Huntersville has moved to rezone more than 1,000 acres of land for Corporate Business.
- ◆ Cornelius has rezoned just over 400 acres for economic development
- ◆ Davidson has rezoned nearly 300 acres for Corporate Business
- ◆ Management Team established – 3 mayors, 3 managers, County representative and EDC Director – meeting regularly to oversee continuing development of Industrial Park



Challenges Encountered in Bringing Three Jurisdictions Together

Challenges

- ◆ Time
- ◆ Personalities
- ◆ Political Borders (Turf)
- ◆ History (or Lack of)
- ◆ Ownership
- ◆ Money
- ◆ Trust



Questions?