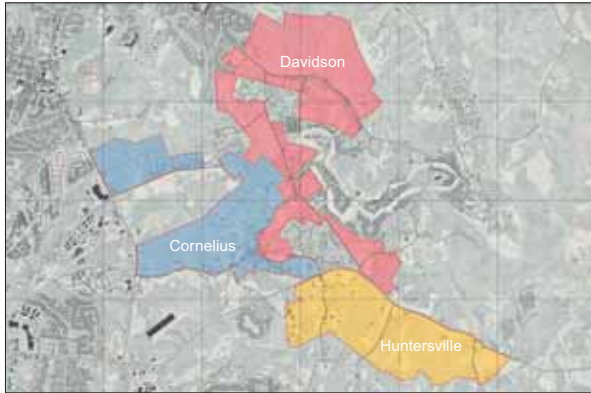


## Appendix III - MARKET EVALUATION

- Introduction
- Economic Framework
- Residential Development Opportunities
  - Existing Condition
  - Residential Potential
- Industrial and Office Development Potential
  - Existing Condition
  - Industrial Potential
  - Office Potential
- Retail Development Potential
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- Conclusion

# DAVIDSON CONCORD ROAD / NC 73 AREA PLAN INTRODUCTION



## Study Purpose

W-ZHA, LLC (W-ZHA) was retained by Ayers/Saint/Gross, Inc. to analyze the North Mecklenburg County economy in order to inform the Davidson-Concord Study Area planning process. Intended to address general market questions, this report does not entail detailed market analysis. Instead, the report herein highlights important economic and land use trends in order to understand the Study Area's likely economic position in the future.

## Definitions and Sources of Information

The boundaries of the "Davidson-Concord Study Area" for which the Master Plan is being developed are highlighted on the following map. The Davidson-Concord Study Area is alternatively referred to as the "Study Area" in this document.

The Davidson-Concord Study Area includes land within the jurisdiction of the Towns of Cornelius, Huntersville and Davidson. These towns and their extra-territorial jurisdictions are defined as "North Mecklenburg County".

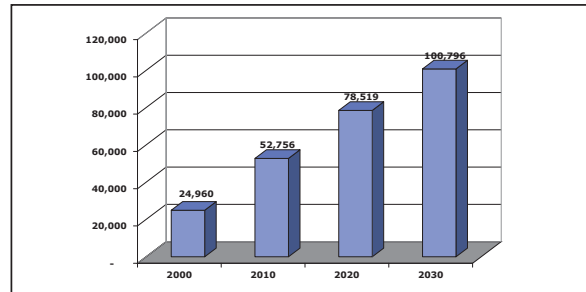
Claritas, Inc. is a national consumer research organization specializing in demographic data. Claritas, Inc. data is applied to summarize demographic trends. Existing and projected population estimates are from the University of North Carolina Charlotte's Urban Institute. Employment data and projections are from the State of North Carolina.

## Structure of the Report

The report begins with an overview of the regional and local economy – the Economic Framework. Following the Economic Framework are market overviews of the residential, retail, office and industrial markets. The Study Area's likely positioning within these markets is summarized in each of these sections. The report concludes with a summary of W-ZHA's conclusions with regard to the future economic positioning of the Davidson-Concord Study Area and an overview of the steps necessary to achieve the economic position.

## Population Projections Town of Huntersville 2000-2030

Among the North Mecklenburg municipalities, Huntersville contains the most people with a population of approximately 40,000. According to projections by the University of North Carolina Charlotte's Urban Institute, Huntersville will contain approximately 52,760 people by 2010. Huntersville's 2010 population is projected to be more than double the Town's 2000 population. Huntersville is one of the fastest growing places in the United States. 2030 population projections are two-and-a-half times Huntersville's current population.



Source: UNC Charlotte, Urban Institute

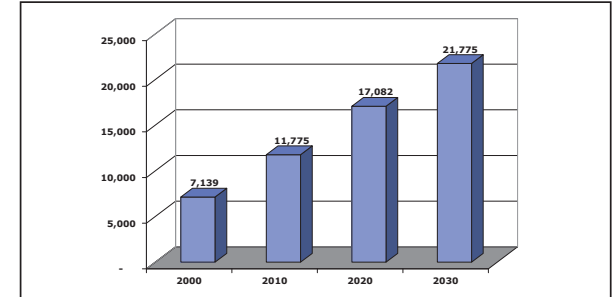
## Powerful Regional Economy

The Davidson-Concord Study Area is located in the Charlotte-Gastonia-Concord, NC-SC Metropolitan Area. As of 2005, the Charlotte-Gastonia-Concord, NC-SC Metropolitan Area ranked 36th among over 300 United States metropolitan areas in total population. The Metropolitan Area contains the following counties: Anson, Cabarrus, Gaston, Mecklenburg, Union in North Carolina and York, South Carolina. With a 2007 population of approximately 827,700 Mecklenburg County contains over half of the Metropolitan Area's population.

According to the Labor Market Information Division of the Employment Security Commission of North Carolina there were over 515,000 private, non-farm jobs in Mecklenburg County in 2007. There are more jobs than labor force in Mecklenburg County. This means that people travel from outside Mecklenburg County to work in Mecklenburg County. From 2004 to 2014 jobs in the County are projected to increase by 20 percent. According to the Labor Market Information Division of the Employment Security Commission, there will be approximately 158,600 new jobs in Mecklenburg County by 2020.

## Population Projections Town of Davidson 2000-2030

Davidson is the smallest of the North Mecklenburg County jurisdictions. Davidson contains approximately 9,000 people. By 2010, UNC Charlotte's Urban Institute projects that Davidson will contain 11,775 people, an increase of 65 percent from 2000 population levels. Davidson's slower growth is not a function of its attractiveness, but, instead, strict slow growth land use policies. 2030 population projections indicate that Davidson's population will more than double. By 2030 Davidson will be two-and-a-half times bigger than it is today.



Source: UNC Charlotte, Urban Institute

Population Trends Mecklenburg County and North Mecklenburg County 1990, 2000, 2007		
	2000	2007
Mecklenburg County	695,454	827,744
North Mecklenburg County <sup>1</sup>	44,068	69,291
North Mecklenburg Share of County	6.3%	10.0%

1. Cornelius, Huntersville, Davidson jurisdictions.

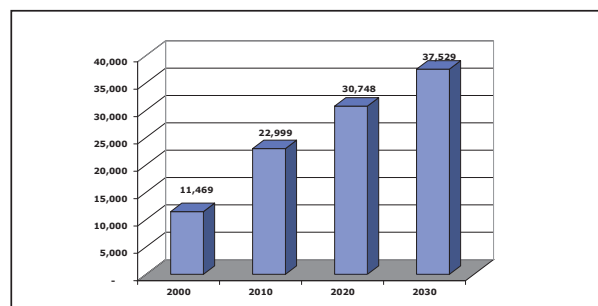
Source: Claritas, Inc.; UNC Charlotte Urban Institute; W-ZHA

## Appendix III - MARKET EVALUATION

# ECONOMIC FRAMEWORK

### Population Projections Town of Cornelius 2000-2030

Cornelius contains approximately 21,000 people. According to projections by the University of North Carolina Charlotte's Urban Institute, Cornelius will contain approximately 23,000 people by 2010. Cornelius' projected 2010 population is more than two times the Town's 2000 population. 2030 population levels are projected to be almost twice what they are today.



Source: UNC Charlotte, Urban Institute

### Fast Growing Local Economy

There are approximately 69,290 people in North Mecklenburg County today. North Mecklenburg County accounts for 10 percent of the Mecklenburg County's population. Among the North Mecklenburg municipalities, Huntersville contains the most people with a population of approximately 40,000. According to projections by the University of North Carolina Charlotte's Urban Institute, Huntersville will contain approximately 52,760 people by 2010. Huntersville's 2010 population is projected to be more than double the Town's 2000 population. Huntersville is one of the fastest growing places in the United States. 2030 population projections are two-and-a-half times Huntersville's current population.

### Good Access With Improvements Planned

The North Mecklenburg County area is accessed from the north and south via Interstate 77 (I-77) and North Carolina 115 (NC 115). Serving this area from the east and west is North Carolina 73 (NC 73), one of the few east-west connectors north of Charlotte. Most of the commercial development in North Mecklenburg County has occurred around I-77.

According to the North Carolina Department of Transportation, in 2006 I-77 had an average traffic volume of about 90,000 vehicles per day. The major roads that intersect with I-77 like Griffith Street, Catawba Road, and Sam Furr Road/ NC 73 experienced traffic volumes in excess of 20,000 vehicles per day (with an average around 40,000 vehicles right at the interchange) in 2006. There is considerable traffic congestion on and around I-77 in the North Mecklenburg County area particularly during peak commuting periods.

10,000 to 15,000 vehicles travel on NC 115 on an average daily basis making land uses on this road readily accessible. There is a plan to develop commuter rail on the rail tracks paralleling NC 115. This service is designed to transport North Mecklenburg County residents to work in Downtown Charlotte. Therefore, the service is mostly limited to commuter times.

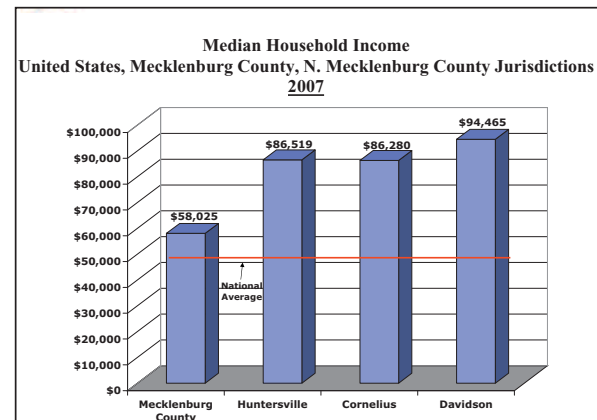
Approximately 20,000 vehicles travel daily on Sam Furr Road/NC 73 from I-77 to the Cabarrus County line. With the exception of I-77, on average NC 73 has the highest traffic volume of any road within the North Mecklenburg County; it is an important east-west connector.

There is a plan to extend Prosperity Church Road from the Charlotte Beltway (Interstate 485) to Sam Furr Road/NC 73 at the Davidson-Concord Road intersection in the Study Area. The Prosperity Church Road connection will likely increase traffic at this intersection and, as such, potentially change the market position of the land surrounding this intersection.

Another important road connection being discussed is connecting Bailey Road to I-77. This connection would change the development potential of the Cornelius properties within the Study Area. Their commercial potential would likely be enhanced with improved access.

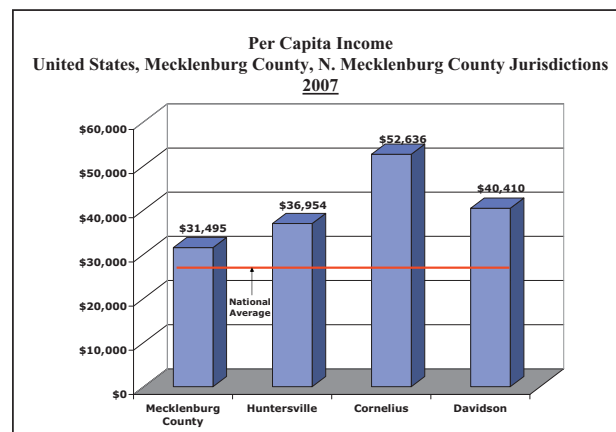
### Wealthy Local Population

The median income among households residing in North Mecklenburg County is very high. Median household income is over 60 percent higher than the average for Mecklenburg County and almost double the 2007 national average of \$44,680.



Source: Sperling's Best Places, 2007

Per capita income in North Mecklenburg County is also high. Comparing the median household income to income per person, illustrates that Cornelius (with Lake Norman) has a higher share of smaller households than either Huntersville or Davidson.



Source: Sperling's Best Places, 2007

# RESIDENTIAL DEVELOPMENT OPPORTUNITIES

## Existing Conditions

### Overview

According to Claritas Inc., Mecklenburg County contained approximately 330,494 occupied housing units in 2007 of which almost two-thirds were owner-occupied. North Mecklenburg County had a higher percentage of owner-units than the County (75 percent versus 64 percent).

Occupied Housing Units By Tenure Mecklenburg County and North Mecklenburg County 2007				
	Mecklenburg County		North Mecklenburg County	
	Units	Share	Units	Share
Owner Occupied	214,288	64%	18,958	75%
Renter Occupied	116,206	36%	6,191	25%
<b>Total Units</b>	<b>330,494</b>		<b>25,149</b>	

Source: Claritas, Inc.

In 2007, over 60 percent of the housing stock in North Mecklenburg County and in Mecklenburg County was composed of single-family detached homes and another five to seven percent were single-family attached units. Structures with 3-19 units such as townhouse and garden apartment communities represented an estimated 20 percent of the inventory at both locations while structures with 50 units or more only comprised 4.0 percent of Mecklenburg County housing and only 1.0 percent of North Mecklenburg County housing stock.

Estimated Housing Units By Units In Structure Mecklenburg County and North Mecklenburg County 2007				
	Mecklenburg County		North Mecklenburg County	
	Units	Share	Units	Share
One Unit Detached	226,867	62%	19,928	65%
One Unit Attached	17,988	5%	1,348	7%
Two Units	7,221	2%	184	1%
3-19 Units	78,057	21%	5,038	20%
20-49 Units	11,779	3%	828	4%
50 or more Units	13,162	4%	511	1%
Mobile Homes	8,392	2%	706	0%
Boat RV, Van etc.	103	0%	6	0%
<b>Total</b>	<b>363,569</b>		<b>28,549</b>	

Source: Claritas, Inc.

Housing is considerably more expensive in North Mecklenburg County as compared to Mecklenburg County. This is attributable to a younger housing stock (e.g. more new houses), a larger concentration of single-family detached units and Lake Norman. The 2007 median value for Mecklenburg County units was estimated at \$174,433 while the Huntersville median value at \$229,258 was 130 percent of the County value. Cornelius' median value at \$254,419 was 145 percent of the County value and Davidson's value at \$328,511 was 189 percent of the County median value.

Median Owner-Occupied Unit Value Mecklenburg County and North Mecklenburg County 2007		
	Median Value	% of County Average
Huntersville	\$229,258	130%
Davidson	\$328,571	189%
Cornelius	\$254,419	145%
Mecklenburg	\$174,433	

Source: Claritas, Inc.

### Local Apartment Market

In order to gain a better understanding of the relevant market dynamics of existing apartment communities within the Study Area, W-ZHA conducted a survey of 13 competitive apartment complexes located in the three towns. Twelve of the communities are at stabilized occupancy with an average vacancy rate below 5 percent. The thirteenth community, Carrington Park, is in initial lease up and has an 80 percent vacancy rate.

Among the complexes with stabilized occupancy, one of the complexes is situated in Davidson, three communities are in Cornelius, and eight complexes are located in Huntersville. All of these communities are located at or near major intersections with I-77, mostly to the west of I-77. Most of the Huntersville complexes are concentrated in close proximity to existing major mixed-use projects such as Birkdale Village and the Huntersville Business Park/Rosedale area. The majority of vacant units (78 percent) are located in Huntersville apartment communities.

Over half of the 13 apartment communities surveyed contain garden apartments while six offer both garden and townhouse units. Overall, the 13 communities surveyed contain 3,231 garden apartments and 160 townhouse apartments. In terms of the garden apartments, the largest number of units are two-bedrooms (1,445 or 44.7 percent) followed closely by one-bedroom units (1,437 or 44.5 percent). One-bedroom garden units in the 13 complexes range in size from 554 to 1,206 square feet and rent from \$640 to \$1,305 per month. Two-bedroom garden units range in size from 942 square feet to 1,431 square feet and rent for \$695-\$1,700 per month and three-bedroom units range in size from 1,128 square feet to 1,479 square feet and in price from \$785 per month to \$1,195 per month.

Selected Apartment Complexes With Stabilized Occupancy North Mecklenburg County 2007				
	No. of Projects	Total Units	Vacant Units	Vacancy Rate
Davidson	1	185	1	0.05%
Cornelius	3	834	31	3.70%
Huntersville	8	2,130	117	5.60%
<b>Total</b>	<b>12</b>	<b>3,149</b>	<b>149</b>	<b>4.70%</b>

Note: Does not include Carrington Park in Cornelius which is under initial lease-up.

Source: Real data

The two-bedroom units comprise 61 percent of all Study Area townhouse units and range in size from 1,051 to 2,023 square feet renting for \$1,005 to \$1,480 per month while the area's 62 three-bedroom units contain 1,350 to 2,567 square feet and are priced at \$1,290 to \$2,205 per month.

The majority of apartment complexes surveyed offer the latest in unit and community amenities such as gourmet kitchens, 9 foot ceilings with crown moldings, built-in computer desks, garden tubs, car centers, clubhouses with media rooms and internet cafés, fitness centers, business centers, and billiard rooms. Their location with quick access to I-77 and/or proximity to Lake Norman, employment opportunities and retail centers increases their market viability. According to leasing agents, the tenants at the surveyed complexes are primarily young adults without children. Many located from the Midwest and Northeast and were attracted to Charlotte for employment opportunities and to North Mecklenburg County for Lake Norman and the region's quality of life.

Characteristics of Selected Apartment Projects North Mecklenburg County 2007			
Garden Apts.	Units	Square Feet	Rent
1 Bedroom	1,437	554-1,206	\$640-\$1,305
2 Bedroom	1,445	942-1,431	\$695-\$1,700
3 Bedroom	349	1,128-1,479	\$785-\$1,195
<b>Subtotal</b>	<b>3,231</b>		
Townhouses			
1 Bedroom	0		
2 Bedroom	98	1,051-2,023	\$1,005-\$1,480
3 Bedroom	62	1,350-2,567	\$1,290-\$2,205
<b>Subtotal</b>	<b>160</b>		
<b>Total</b>	<b>3,397</b>		

Source: Real data

## RESIDENTIAL DEVELOPMENT OPPORTUNITIES

## Local For-Sale Housing

For purposes of this analysis, W-ZHA conducted a survey of new for-sale residential developments in North Mecklenburg County. These developments (consisting of townhouses, condos, villas and single-family homes in neo-traditional communities) represent newer product offerings than the customary single-family detached communities prevalent in the Study Area. A few single-family detached communities were also included for comparison purposes.

A total of 19 communities were surveyed containing 5,479 units of which 2,309 or 42 percent have been sold. Nine of the communities are located in Davidson. Six of the communities are located in Cornelius and four are located in Huntersville.

The 19 communities were categorized into single-family and multi-family communities for evaluation purposes. The 11 single-family communities are planned for a total of 3,327 units. 48 percent of these units are sold. Summer's Walk just opened in the Spring of 2007. A portion of Summer's Walk will be constructed in a neo-traditional design and will include a 20,000 square foot commercial center.

Selected For-Sale Single Family Communities North Mecklenburg County 2007				
	Opened	Units	Sold	Absorption
<b>Davidson</b>				
Summer's Walk	April-08	459	23	3 per month
Little Gate	October-08	10	8	1.5 per month
Bailey Springs	May-08	127	5	0.75 per month
Bradford	Mid. 2004	97	58	1.5 per month
Subtotal		693	94	
<b>Cornelius</b>				
Antiquity	January-08	175	14	1.25 per month
Heritage Green	Mid 03	516	480	9 per month
Caldwell Station	Mid 02	536	436	6.75 per month
Subtotal		1,227	930	
<b>Huntersville</b>				
Monteith Place	Summer 04	218	70	1.75 per month
Monteith Park	Summer 03	600	300	5.75 per month
Village at Rosedale	Summer 04	189	184	4.5 per month
Vermillion	Summer 06	400	30	2 per month
Subtotal		1,407	584	
<b>Total</b>		<b>3,327</b>	<b>1,608</b>	

Source: Interviews with property managers; W-ZHA

The oldest communities (those opening in 2002 and 2003) have demonstrated the highest absorption. Since 2004, monthly absorption at most communities has been restrained by local and national downturns in the residential market. The 516-unit Heritage Green project is the most successful of all the communities with an average annual absorption of 108 units. Heritage Green opened in mid-2003. This project features a neo-traditional design and is competitively priced from the mid-\$100,000's to the mid-\$200,000's, a price range which brokers state has been less sensitive to local economic conditions. A majority of the surveyed single-family communities offer a minimum of three-bedrooms and cater to households with children.

Fifteen communities offer condominiums and townhomes. These communities are planned to contain 1,478 units; 54 percent of which have been sold. Davidson has the greatest number of these communities. The majority of Davidson's condo/townhouse units are being developed as part of Davidson Gateway, a major mixed-use project at the Griffith Road and I-77 interchange. Davidson Gateway benefits from access and visibility to I-77 and proximity to major convenience retail, office and hotel uses. Other Davidson multifamily, for-sale communities are in very marketable downtown locations. Davidson has already proven itself a viable location for condominium development with the success of Davidson Landing. For the most part, Cornelius' townhouses/condos are being constructed near the downtown and along Statesville and Old Statesville Roads.

Condos priced at approximately \$150,000 and townhouses priced from \$200,000 to \$250,000 are the most popular. The majority of purchasers are empty nesters, retirees and singles.

Selected For-Sale Condos/Townhouse North Mecklenburg County 2007				
	Opened	Units	Sold	Average Absorption
<b>Davidson</b>				
Summer's Walk	May-08	111 TH	17	2.5 per month
Park at Davidson	November-08	52 TH	23	2 per month
Harbor Place	October-08	44 TH	22	1.5 per month
Little Gate	October-08	7 TH	7	N/A
Davidson Bay	Summer 06	69 TH	46	3 per month
Village at S. Main	August-08	34 TH	12	3 per month
S. Main Square	February-08	23 CND	17	1.75 per month
Bailey Springs	May-08	70 TH	2	0.25 per month
Subtotal		410	146	
<b>Cornelius</b>				
Oakhurst Terrace I	September-08	24 CND	10	3 per month
Oakhurst Terrace II	November-08	24 CND	2	2 per month
Harborside Commons	May-08	134 TH	36	5 per month
Alexander Chase	N/A	298 CND	4	N/A
Antiquity	January-08	250 TH	20	2 per month
Caldwell Station	Mid-02	188 TH	186	3 per month
Subtotal		918	528	
<b>Huntersville</b>				
Monteith Place	Mid 04	150 TH	125	3 per month
Subtotal		150	125	
<b>Total</b>		<b>1,478</b>	<b>799</b>	

Source: Interviews with property managers; W-ZHA

## Senior Housing

Based upon previous assignments performed by W-ZHA staff in the Charlotte Metropolitan Area and interviews with realtors there are very few residential communities, rental or for sale, that cater to the 55-year and older population. As a matter of fact, of the three 55-year and older communities north of Charlotte, only one is in the North Mecklenburg County area and the other two are in Mooresville. A brief description of these projects follows:

**Village of Isle of Pines** – Village of Isle of Pines opened in the spring of 2006 in Mooresville and contains 24 single-family, three and four-bedroom units of which 7 have been sold and occupied. The units are large: 1,500 to 4,000 square feet on three-quarter to one acre lots and are priced from \$239,000 to \$600,000. To date, half of the purchasers have been out-of-state buyers who want to be near Lake Norman and/or their children. Slow existing home sales among potential purchasers have hindered project sales.

**Emerald Green** – Another Mooresville project, opened in October 2007 and in two months sold four out of its 56 duplexes. More reasonably priced than the Village of Isle of Pines, the 1,200 to 2,400 square-foot, two to three-bedroom units are priced from \$195,000 to \$300,000. Approximately 80 percent of the purchasers also come from out of state. Sales are being constrained by the weak residential market in other areas.

**Glens at Birkdale Commons** – This Huntersville project is the most economical of the three senior housing projects. Opened in May 2006, 48 of the 60 duplexes have been leased. The one to three bedroom units containing 800 to 1,300 square feet rent for \$975 to \$1,500 per month. The development has a lodge which offers classes. Again, most residents are from out of state.

DAVIDSON CONCORD ROAD / NC 73 AREA PLAN

# RESIDENTIAL DEVELOPMENT OPPORTUNITIES

## Residential Potential

There are currently approximately 26,000 households in Huntersville, Cornelius, and Davidson. According to Claritas, Inc. data, the average household size in 2007 was 2.6 people. Applying UNC Charlotte Urban Institute population projections as well as Claritas, Inc. projections results in a forecast of approximately 20,000 new households in North Mecklenburg County by 2020. If recent trends prevail, the vast majority of these new households will relocate to Study Area from out of state. Assuming a five percent vacancy rate, projected household growth will generate demand for 21,000 new housing units between 2007 and 2020 or an average of 1,615 units per year.

Projected housing units closely parallels the number of annual residential building permits issued per year in North Mecklenburg County between 2003 and 2006 – 1,700 per year.

Residential Building Permits North Mecklenburg County 2003 - 2006						
	2003	2004	2005	2006	Total	Average /Yr
Huntersville	983	933	1,043	1,075	4,034	1,009
Cornelius	548	563	597	583	2,291	573
Davidson	104	116	79	209	508	127
<b>Total</b>	<b>1,635</b>	<b>1,612</b>	<b>1,719</b>	<b>1,867</b>	<b>6,833</b>	<b>1,708</b>

Source: US Census; W-ZHA

Currently, 73 percent of the housing supply in North Mecklenburg County is single family detached or single family attached with fewer than 3 units. The increasing number of one and two-person households and non-family households without children will generate support for multi-family housing (apartments and condominiums) and neo-traditionally designed single-family units and townhouses. It is reasonable to assume that the percentage of multi-family units will increase to meet this increasing market demand. This probable shift in product offerings will serve to transform North Mecklenburg County into a more diverse and competitive residential location. Accordingly, we have projected that the forecast demand for a total of 21,000 more housing units in the three-town Study Area by 2020 will be divided into one-third multi-family units (apartments and condominiums) or 6,900 units and two-thirds single-family units or 14,100 single-family detached and townhouses.

Housing Unit Potential North Mecklenburg County		
Total Potential		21,000
Single Family Detached	67%	14,100
Multi-Family and/or Townhouse	33%	6,900

Source: W-ZHA

Our analysis of the competition indicates that current vacant and planned multi-family units in North Mecklenburg County total approximately 3,900 units resulting in a net potential of approximately 3,000 units. For single-family detached and attached units, there are 7,345 existing, planned and proposed single family units resulting in a net potential of 6,755 units.

Existing, Planned & Approved Housing Huntersville, Cornelius and Davidson 2007	
	Units
<b>Single Family</b>	
Potential	14,100
Existing & Planned Supply	7,345
Unmet Demand	6,755
<b>Multi-Family</b>	
Potential	6,900
Existing & Planned Supply	3,929
Unmet Demand	2,971
<b>Total</b>	
Potential	21,000
Existing & Planned Supply	11,274
Unmet Demand	9,726

Source: W-ZHA

The planned multi-family communities (apartments and condominiums) include one condo community at Davidson's Gateway, five multi-family components of new developments in Cornelius (Caldwell Station for seniors, Alexander Ridge, Antiquity, Bailey's Glen also for seniors and Village at Lake Norman) and multi-family units at Sam Furr Station, the Bryton development and south of Huntersville Business Park in Huntersville.

In summary, the Study Area's demographics, existing residential supply characteristics and planned transportation improvements will all contribute to the Study Area's potential for:

- Multi-family apartments and condos;
- Retirement housing with a range of price and product; and,
- Neo-traditional single-family detached and attached housing

The Study Area is well positioned to capitalize on any one of these markets. Higher density, multi-family housing is logical for the NC 115 area, particularly near the commuter rail station. Other multi-family and higher density housing opportunities may be available if mixed-use nodes can be established within the Study Area. An excellent location for a mixed-use, higher density residential node is the intersection of Davidson-Concord Road and NC 73. Another, albeit smaller in scale, opportunity is at the Bailey Road and Davidson-Concord Road intersection where a small cluster of townhouses may be feasible.

# INDUSTRIAL AND OFFICE DEVELOPMENT POTENTIAL

## Existing Conditions

### Overview

Until recently, North Mecklenburg County was a "bedroom community" with a modest amount of commercial space and few, if any, other employment nodes. Since 2000, however, the area has had some success in attracting (non-retail oriented) major employers engaged in corporate headquarters, research and development and manufacturing/distribution activities. Meanwhile, numerous professional office clusters have emerged to serve the continual expansion of the household base.

The formation of the Lake Norman Regional Economic Development Corporation in 1993 to market the region and the subsequent agreement among the three towns to develop and share in the net revenues from the new North Mecklenburg Industrial Park have contributed substantially to the area's visibility and competitiveness. Recent and planned transportation and transit improvements will serve to transform the region's locational status as well. Besides improved access, the region's major competitive strengths are its skilled labor force and the potential availability of office and industrial sites to serve the essential needs of relocating and expanding companies.

Besides the newly opened, North Mecklenburg Industrial Park, North Mecklenburg County contains five other business parks: two located in Cornelius and three located in Huntersville. All of the business parks are close to I-77 interchanges or along NC 115 adjacent to the rail line. The six business parks include 1,161 acres, of which 612 acres are still available. Available land is primarily located at two parks - 235 acres at the North Mecklenburg Industrial Park and approximately 277 acres at the Huntersville Business Park.

Name	Location	Open	Total Area	Available
North Mecklenburg Industrial Park	NC115 South	2006	325	285
Huntersville Business Park	I-77	1987	600	277
North Charlotte Business	NC115 South	1985	60	50
North 77 Business	NC115 South	1995	120	0
Northcross Business	I-77	2002	46	2 small parcels
Liverpool Business	I-78	1990	10	8
<b>Total</b>			<b>1,161</b>	<b>612</b>

Source: Lake Norman Regional EDC

A brief description of each of the parks follows:

- North Mecklenburg Industrial Park** – The 325-acre park resulting from a cooperative venture of the three towns has only one occupant, Prairie Packaging, which opened in 2005 with 242 jobs and could eventually expand to 400 jobs. The industrial park offers large rail served sites and is designed to target heavy manufacturing and assembly plants.
- Huntersville Business Park** – The only high quality business park in the region, the master-planned Huntersville Business Park offers a mix of business space from corporate headquarters, corporate multi-tenant to flex/warehouse and retail space. Since its opening in 1987, approximately 325 acres have been purchased. The 50-bed Presbyterian Hospital is one of the anchors. Other occupants include General Electric Polymerland, Americredit and Joe Gibbs Racing which are some of the largest employers in the Study Area. The Park is competitively located off of I-77.
- North Charlotte Business Park** – The oldest business park in the region, the 60-acre park is rail-served and targets heavy industrial uses. Almost all of the acreage is still available for purchase at this not very competitive location.
- North 77 Business Park** is located off of 115 South near the Cornelius sites under evaluation in the study. The 120-acre park developed sporadically with warehouses and flex space designed to accommodate small businesses, local contractors and service providers. Most of the space is owner-occupied. Plans call for similar space to be developed west of the business park along Bailey Road closer to I-77.
- Northcross Business Campus** – Very little land is still available at this 46-acre park, primarily offering flex space. The park located off of I-77 contains the second largest amount of multi-tenant flex space in the region. Approximately half of the space (44,000 square feet) is available for rent and was brought on line over the last year and one-half.
- Liverpool Business Area** – This business area is located on West Catawba Avenue off of Liverpool Parkway at exit 28, west of I-77. No land is available. The business area is actually a series of small warehouse buildings, flex buildings and office condominiums that developed sporadically due to the excellent access and visibility from I-77.

Overall, the only quality, master-planned business park for professional office is the Huntersville Business Park. The other parks favor heavy industrial uses. Even the new North Mecklenburg Industrial Park is limited in its potential occupants.

However, due in part to the limited site alternatives, the existing predominance of vacant heavy industrial land and to the improving status of the Study Area as a viable business location, eight new business parks are planned. The eight parks together comprise a total of 542 acres with the potential for 3.3 million square feet of space. These parks will more than double the existing acreage of business park space in North Mecklenburg County.

Name	Location	Acres/SF	Available
Bryton	NC115 South	1,000,000	Sq. Ft. Industrial/Flex
		1200000	Sq. Ft. Suburban Class A Office
Blakely	I-77	100000	Sq. Ft. Professional Med Office
		80	Acres Office/Flex
Cooke	I-77	80	Acres Office/Flex
Bailey Commerce	NC115 South/I-77	32	Acres Office/Flex
Hambright Road	I-77	250	Acres Industrial/Flex
Mt. Holly Road	I-77	120	Acres Office/Flex
Davidson Gateway	I-77	330,000	Sq. Ft. Suburban Class A Office
Village at Lake Norman	I-77	874,000	Sq. Ft. Suburban Class A Office/Professional Office

Source: Lake Norman Regional EDC

Seven of the planned parks are located off of I-77 and the eighth, Bryton, will be situated off of I-485. All of the parks contain an office and/or flex component. Three of the parks (Bryton, Hambright and Bailey Commerce) have industrial components. Bailey Commerce is the only park in close proximity to the Study Area.

Regional growth patterns have enabled the Study Area economy to begin to become more diversified over the last ten years. The 17 major employers in the region range in size from Ingersoll-Rand located in Davison with 1,300 employees to Curtis Screw Company in Cornelius with 94 employees. Fourteen of the largest seventeen employers are sited in Huntersville, reflective of the town's availability of land zoned for business compared to Davidson and Cornelius. Most of Huntersville's employers are situated in the Huntersville Business Park. Foamex, which creates foam for bedding and furniture, is located at a stand-alone site on NC 115 South and Ingersoll-Rand is located on a 177-acre site west of downtown Davidson. Rubbermaid will soon open another division with 100 additional professional/management personnel at Northpoint Executive Park.

Name	Location	Employees
Ingersoll-Rand	Davidson	1,277
McGuire Nuclear State	Huntersville	1,000
Davidson College	Davidson	700
GE Polymerland	Huntersville	600
Americredit	Huntersville	400
Metrolina Greenhouses	Huntersville	400
Presbyterian Hospital	Huntersville	300
Joe Gibbs Racing	Huntersville	300
Siegling America	Huntersville	250
Prairie Packaging	Huntersville	250
American Tire Distributors	Huntersville	225
Irwin Industrial Tools	Huntersville	162
Rubbermaid	Huntersville	100
Town of Huntersville	Huntersville	114
Foamex	Huntersville	114
Max Daetwyler Corporation	Huntersville	100
Curtis Screw Company	Cornelius	94

Source: Lake Norman Regional Development Commission



## DAVIDSON CONCORD ROAD / NC 73 AREA PLAN

# INDUSTRIAL AND OFFICE DEVELOPMENT POTENTIAL

In addition to the 17 major employers within North Mecklenburg, the nature and amount of employment growth within the Study Area will be impacted by two nearby development nodes: Lowe's Corporate Headquarters in Mooresville and the North Carolina Research Park in Kannapolis.

Lowe's Corporate Headquarters is situated just north of the Study Area at Exit 33 of I-77 in Mooresville. It is projected to employ 8,000 persons in two million square feet of space at build out. The exit is also the location of the new 117-bed Lake Norman Regional Medical Center which has spurred the nearby development of numerous medical offices and a medical office park. Under construction at the exit is the 28-acre mixed-use Legacy Village with a hotel, 118 townhouses and approximately 500,000 square feet of commercial space and Fairview Center, a Class A office park.

North Carolina Research Park is a 350-acre research park planned at the former Pillowtex Factory site in the heart of Kannapolis in Cabarrus County. Universities including UNC-Chapel Hill, UNC-Charlotte, NCSU, and Duke University will have a research presence on the campus. The build-out plan envisions over one million square feet of office and laboratory space, 350,000 square feet of retail/commercial space and approximately 1,100 residences. The focus of the research will be biotechnology related to food and nutrition. It is expected that at build-out in 2013 the project will generate 5,500 on-site biotech jobs and an additional 9,000 biotech jobs by 2032 within Cabarrus and Rowan Counties. An impact assessment prepared by Market Street Services for the City of Kannapolis indicates that Mecklenburg County would incur an increase in employment due to full development of the campus of some 16,000 jobs.

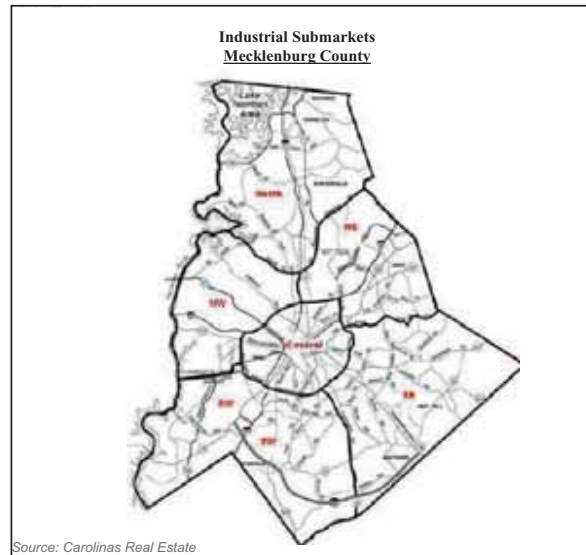
An evaluation of the region's competitive strengths has led the Lake Norman Regional Economic Development Corporation to target the following industries for relocation to the area:

- Headquarter, regional and branch offices of manufacturing, financial/insurance service firms, chain retailers and others
- Research/Development production distribution and service activities related to automotive parts/equipment, medical equipment/ supplies, electronic/optical equipment, information technology/services and pharmaceuticals
- University Research Park overflow
- NASCAR-related businesses
- Lowe's Corporation headquarters suppliers and service firms

### Industrial

W-ZHA considered two types of industrial uses for development in the Study Area: manufacturing/distribution and flex space. Given the availability of sufficient land for manufacturing/distribution in the region and the slow absorption of this type of industrial land in the past and currently, W-ZHA concluded that flex space would be the most likely type of industrial development for the Study Area. The North Mecklenburg industrial flex submarket is defined as the "North Submarket."

As of the third quarter of 2007, the North Submarket contained 1,646,439 square feet of flex space, 13 percent of the County's total flex space. The North Submarket had the second highest vacancy rate (18.1 percent) of the six flex industrial submarkets in the Charlotte Area. It also contained the third largest amount of vacant space. The high vacancy rate is partially attributable to the completion of four buildings containing 72,769 square feet of flex space at the Northcross Business Park in late 2006. This submarket had a quoted rent of \$9.92 per square foot, the second highest of the six submarkets and higher than the market average.



Source: Carolinas Real Estate

Multi-Tenant Flex Industrial Supply and Rent Charlotte Metro Area and Submarkets 3rd Quarter 2007				
	Total	Vacant	Vacancy Rate	Quoted Rent/SF
<b>North Submarket</b>	1,646,439	297,340	18.10%	\$9.92
<b>Charlotte Metro</b>	12,375,721	2,137,683	17.27%	\$8.22
<b>Other Submarkets</b>				
Central	2,825,898	397,219	14.10%	\$7.77
NE	421,093	59,448	14.10%	\$10.68
NW	344,061	41,270	12.00%	\$5.97
SE	1,086,132	246,246	22.70%	\$8.56
SW	6,052,098	1,096,160	18.10%	\$7.68

Source: Carolinas Real Data; W-ZHA

From the 1<sup>st</sup> quarter of 2005 through the 2<sup>nd</sup> quarter of 2007, the North Submarket captured 10 percent of the County's new flex space and experienced a sufficiently positive absorption to contribute to a decreased vacancy rate. W-ZHA identified only three flex nodes that are currently being marketed near the Study Area. The three parks contain 735,000 square feet of which 91,960 square feet are vacant for a vacancy rate of 12.5 percent. The North 77 Business Park off of NC 115 is adjacent to the Study Area and is the most successful. The recently completed space at Northcross Business Campus is by far the best designed and located park, but it has experienced a slow absorption pace.

Flex Office Supply Near Study Area 2007			
	Leasable Square Feet	Available Square Feet	Vacancy Rate
Huntersville Business Park	410,000	26,000	6.30%
North 77 Business Park	240,000	6,000	2.50%
Northcross Business Campus	85,000	59,960	70.50%
<b>Total</b>	<b>735,000</b>	<b>91,960</b>	<b>12.50%</b>

Source: Carolinas Real Data; W-ZHA



# INDUSTRIAL AND OFFICE DEVELOPMENT POTENTIAL

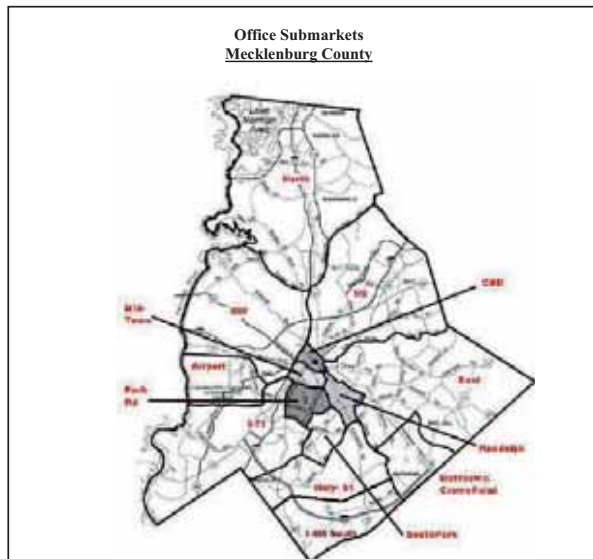
## Office

According to Carolina Real Data, the Mecklenburg County multi-tenant office market as of the 3rd quarter of 2007 had approximately 42.6 million square feet of space of which 5.1 million square feet were vacant for an overall vacancy rate of 12.0 percent, down from a 14 percent vacancy in 2006. Approximately 4.4 million square feet of space are under construction, the vast majority to be built in the Charlotte CBD and south of the city.

North Mecklenburg County is part of the "North" office submarket. The North office submarket extends from Harris Boulevard north along the I-77 corridor to the Mecklenburg/Iredell County border.

The North Submarket contained 2,107,424 square feet of space as of the end of the third quarter of 2007. This space represented five percent of the County's total multi-tenant space. With a 15.7 percent vacancy rate, the North Submarket had the sixth highest vacancy rate of the 13 submarkets within the Charlotte office market. With a quoted rent of \$19.90 per square foot, full service, the submarket's rents were lower than the County average of \$21.32 per square foot. The vacancy rate in the submarket (15.7 percent) is primarily attributable to Class C space scattered throughout the area and by newly completed Class A space located in the Harris Boulevard area.

Together, these office developments contain 734,000 square feet with a 22.2 per cent vacancy rate. Kenton Place functions as the premier site for regional financial services offices (banks, stockbrokers, etc) in the Study Area; NorthPoint Executive Park is almost solely occupied by Rubbermaid divisions. The five professional office developments contain a total of 250,000 square feet with a 21.5 per cent vacancy rate. The vast majority of the vacant space is in recently completed buildings and in condo space. All of the professional office space is situated within half a mile of an I-77 interchange or in downtown Davidson.



Source: Carolinas Real Estate

Multi-Tenant Office Supply and Rent Charlotte Metro Area and Submarkets 3rd Quarter 2007				
	Total	Vacant	Vacancy Rate	Quoted Rent /SF
<b>North Submarket</b>	2,107,424	330,617	15.69%	\$19.90
<b>Charlotte Metro</b>	42,549,028	5,106,905	12.00%	\$21.32
<b>Other Submarkets</b>				
CBD	14,131,558	338,017	2.39%	\$26.43
Airport/BGP	3,882,097	614,153	15.82%	\$17.04
CrownPoint	923,846	261,439	28.30%	\$15.86
East	1,331,538	360,521	27.08%	\$13.56
HWY51South	1,643,093	152,201	9.26%	\$18.40
I-485 South	2,908,168	234,208	8.05%	\$22.29
I-77 Southwest	3,481,262	972,007	27.92%	\$16.40
Midtown	2,430,990	300,304	12.35%	\$20.64
Northeast	3,585,739	824,692	23.00%	\$17.23
Park Road	749,186	79,741	10.64%	\$16.33
Randolph Road	1,374,294	170,049	12.37%	\$20.63
Southpark	3,999,833	468,956	11.72%	\$23.33

Source: Carolinas Real Data; W-ZHA

During the two-year period from 4th quarter 2005 to 3rd quarter 2007, Mecklenburg County gained a total of 2,145,594 square feet of multi-tenant office space for a growth rate of 5.3 percent or 2.7 percent per annum. Simultaneously, the North Submarket grew by 297,068 square feet or by 16.4 percent or 8.2 percent (148,500 square feet) annually. The North Submarket's share of office space completed represented 14 percent of the total.

W-ZHA identified eight comparable Study Area office developments that are currently being marketed; three that offer suburban Class A or corporate office space and the other five have one and two-story rental or condo space that caters to small companies in medical, legal, real estate and other professional service activities. Much of the smaller space is mixed-use "village type" buildings. The three "Class A" developments have been constructed in the last few years and offer the first and only such space in the North Mecklenburg County.

Selected Existing Office Projects North Mecklenburg County 3rd Quarter 2007				
Name	Type	Location	Total Leasable SF	Available SF
Huntersville Bus.Pk.	Corp. Park	I-77	397,000	137,600
North Point	Corp. Park	I-77	200,000	
Kenton Place	Corp. Park	Lake Norman	137,000	26,000
Davidson Landing	Prof. Office	I-77	40,000	0
Oakhurst	Prof. Office	I-77	42,000	16,200
Dntwn. Davidson	Prof. Office	Study Area	22,000	22,000
	Prof. Office	Study Area	50,500	15,700
Birkdale Village	Prof. Office	I-77	52,400	0
Catawba Executive	Prof. Office	Lake Norman	44,000	0
<b>Total</b>			<b>984,900</b>	<b>217,500</b>

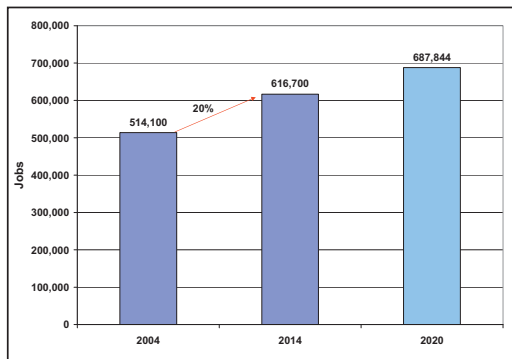
Source: Carolinas Real Data; W-ZHA

## DAVIDSON CONCORD ROAD / NC 73 AREA PLAN

# INDUSTRIAL AND OFFICE DEVELOPMENT POTENTIAL

### Industrial Potential

The Labor Market Information (LMI) Division of the Employment Security Commission of North Carolina projects employment to 2014. Mecklenburg County's employment is projected to grow by 20 percent between 2004 and 2014. Extrapolating the Commission's data indicates that there were approximately 533,000 jobs in Mecklenburg County in 2007. Using the average annual employment growth rate assumed for 2004 to 2014 as a proxy, there will be approximately 158,600 new jobs in Mecklenburg County by 2020.



Source: The Labor Market Information (LMI) Division of the Employment Security Commission of North Carolina; W-ZHA

The industries that typically demand industrial space are the wholesale trade, transportation and warehousing industries. By 2020, employment in these industries is projected to grow by 16,000 jobs. At 500 to 700 square feet of industrial space per job, employment growth will demand 5.6 to 7.85 million square feet of industrial space between now and 2020.

Industrial Employment Projection Mecklenburg County 2007 - 2020			
	2007	2020	Change
Industrial-Inclined Industries	91,868	103,077	11,209
Space @ 500 square feet per employee			5,605,000
Space @ 700 square feet per employee			7,846,000

Source: The Labor Market Information (LMI) Division of the Employment Security Commission of North Carolina; W-ZHA

Multi-tenant, flex industrial and single tenant industrial space represented approximately 69 percent of the industrial supply in the Charlotte industrial market in 2007. Assuming that flex and single tenant industrial continue to account for 69 percent of industrial demand there is the potential for 3.9 to 5.45 million additional square feet of multi-tenant, flex industrial and single tenant industrial space in the Charlotte market by 2020. Assuming the North submarket continues to represent a 10 percent share of the multi-tenant, flex industrial and single tenant market, there is the potential for 375,800 to 526,000 square feet of additional space in the North submarket by 2020.

Multi-Tenant Flex Industrial & Single Tenant Industrial Potential North Submarket 2007 - 2020		
	Low	High
Mecklenburg County: Industrial Space Potential (Square Feet)	5,605,000	7,846,000
Mecklenburg County: Share Multi-Tenant Flex and Single Tenant Industrial	69%	69%
Mecklenburg County: Potential Multi-Tenant Flex and Single Tenant Industrial	3,894,000	5,451,000
North Submarket Share	10%	10%
North Submarket Potential	375,800	526,000

Source: The Labor Market Information (LMI) Division of the Employment Security Commission of North Carolina; Carolinas Real Data

The premiere location for flex and single tenant industrial space is near Interstate 77. There are numerous existing and planned business parks near I-77 with plenty of land available for flex and industrial development. In fact, there appears to be a surplus of land available for such uses. Nevertheless, Bailey Road at NC 115 is well positioned to capture flex industrial and single tenant industrial, particularly if an interchange with Bailey Road and I-77 is developed. This location already has industrial land uses, offers good truck access as well as rail access. Other land within the Study Area is simply too valuable to be marketed for flex industrial development.

### Office Potential

Industries inclined to own or rent office space typically include finance, insurance and real estate companies, professional and business service industries, information and technology businesses and doctors' offices. County employment among these industries is projected to grow by 79,840 jobs between 2007 and 2020. At 250 square feet of office space per employee, employment growth alone will generate demand for an additional 20 million square feet of office space in Mecklenburg County by 2020.

Office-Inclined Industry Employment Projection Mecklenburg County 2007 - 2020			
	2007	2020	Change
Office-Inclined Industry Employment	189,827	269,663	79,836
Office Space @ 250 square feet per employee			19,959,000

Source: The Labor Market Information (LMI) Division of the Employment Security Commission of North Carolina; W-ZHA

From the 4th Quarter of 2005 to the 2nd Quarter of 2007, absorption within the North Submarket accounted for 15 percent of the County's office absorption. Assuming Huntersville, Cornelius and Davidson can capture 10 percent of the County's office market potential, there is the potential for an additional 2 million square feet of office space in North Mecklenburg County between 2007 and 2020.

There are over 200,000 square feet of vacant office space in existing North Mecklenburg County corporate parks and professional office clusters. Planned and approved projects like Bryton, Hambright Road, and Davidson Gateway and many others allow for millions of square feet of office space. Many of these projects are close to Interstate 77 making them better locations than the Study Area for large office users.

From an office development perspective, the Study Area is well positioned to attract small businesses serving the local population (like financial organizations, doctors, etc.) and small businesses owned by nearby residents. Office in the Study Area can offer a high quality, convenient alternative to the heavily congested Interstate 77 area. The average tenant size would likely be 1,000 to 5,000 square feet. Given its local orientation, the amount of office supportable in the Study Area will likely range from 150,000 to 200,000 square feet. The strongest location for a small office cluster is at NC 73 and Davidson-Concord Road. Another potential location is at the intersection of Bailey Road and NC 115 or Davidson-Concord Road.

# RETAIL DEVELOPMENT POTENTIAL

## Existing Conditions

Major regional retail clusters surround the Davidson-Concord Study Area. As the map below illustrates two regional retail centers, Birkdale Village and NorthCross Shopping Center, are within a 15-minute drive from the intersection of Davidson-Concord Road and NC 73. These shopping centers are strategically located at I-77 where over 90,000 vehicles travel per day.

Birkdale Village is a mixed-use, lifestyle shopping center containing approximately 240,000 square feet of retail in 66 stores as well as a cinema. Birkdale Village offers a pedestrian-friendly, Main Street environment. Birkdale Village is anchored by Regal Cinema, Dick's Sporting Goods and Barnes and Noble. This upscale center contains stores such as Ann Taylor Loft, Talbots, Banana Republic, and Williams Sonoma.

NorthCross Shopping Center is a power center anchored by Lowe's, Target, Marshalls, Kohls and Old Navy. Power centers contain 300,000 to 1,000,000 square feet with several big box stores and a limited number of small stores. NorthCross is approximately 600,000 square feet.

Shopping centers oriented to the day-to-day needs of the resident population are mostly located west of the Davidson-Concord Study Area, closer to household concentrations. A summary of competitive grocery-anchored neighborhood and community shopping centers in Mecklenburg County is summarized below.

There is a grocery-anchored, community shopping center east of the Study Area just across the Cabarrus County line. Davidson Gateway at Griffith and Interstate 77 will contain a Harris Teeter market. Davidson East immediately east of the Davidson-Concord Road and NC 73 intersection is approved for approximately 150,000 square feet of commercial/retail space.



Source: W-ZHA

Neighborhood and Community Shopping Centers Serving Davidson-Concord Study Area 2007				
Name	Location	Year Open	Square Feet	Anchor Tenants
Cornelius Town Center	NC-115/W. Catawba	1998	43,600	Food Lion
Huntersville Square	US-21/Gilead Road	1973	79,000	Food Lion
Sadler Square	Griffith Street	1979	38,000	Home Economist, CVS
NorthCross	US-21/Sam Furr Rd	1996	600,000	Lowe's, Target, Kohls, Winn Dixie
Northcross Commons	I-77/Sam Furr Rd	1993	56,120	Food Lion
Rosedale	I-77/Gilead Road	2000	121,330	Harris Teeter, CVS
Market Square	I-77/Gilead Road	2001	79,000	Bi-Lo

Source: Claritas, Inc; W-ZHA

## Retail Potential

Given the existing regional retail competition it is highly unlikely that a regional retail center with a wide variety of stores can be supported in the Davidson-Concord Study Area now or in the future. Even with the Prosperity Church Extension, surrounding centers are better located to capitalize on household growth in the market area. Regional shopping centers provide general merchandise, apparel, furniture, and home furnishings in depth and variety. Typically built around one or two department stores, these centers typically contain in excess of 500,000 square feet. The average trade area is within a 20- to 30-minute drive depending on the size of the center and the character of its anchors.

The Davidson-Concord Study Area is better positioned to for neighborhood and community oriented retail. This type of retail serves the day-to-day needs of the nearby population; therefore, it is more convenience-oriented. Given the increasing congestion in and around I-77, there may be an opportunity to intercept the immediate market by offering a more convenient, relatively hassle free shopping experience. The best location for a concentration of retail is at the intersection of Davidson-Concord Road and NC 73. NC 73 is an important east-west connector road that carries approximately 20,000 vehicles per day. This intersection may also become an even more important regional location when the Prosperity Church extension is completed between I-485 and NC 73.

The primary trade area for retail in the Davidson-Concord Study Area is convenience-oriented. Given the competition, W-ZHA has assumed that a 6-minute drive time from the Davidson-Concord Road and NC 73 intersection represents the primary trade area. There are currently no grocery stores within the primary trade area.

According to Claritas, Inc. there are 1,720 households currently within a 6-minute drive of the Davidson-Concord Road and NC 73 intersection. There are not enough households today to support a shopping center of any type.

W-ZHA applied the average annual population growth rate projected by UNC Charlotte's Urban Institute to the current household count to estimate the 2020 households within the Trade Area. Applying the 4.7 percent average annual growth rate results in 3,140 households within the Trade Area by 2020.

In 2007, households within the primary trade area had an average annual household income of \$147,000. Assuming real income stays constant over time, by 2020, households within the primary trade area have the potential to spend \$115.6 million on groceries, health supplies, other shopper's goods and eating and drinking outside of the home. Other shopper's goods include apparel, general merchandise, electronics, furniture, book, jewelry and other stores where comparison shopping takes place.

# RETAIL DEVELOPMENT POTENTIAL



**Trade Area Retail Expenditure Potential  
Davidson-Concord Study Area  
2007 - 2020**

		2007	2020
Households		1,720	3,140
Average Household Income		\$147,495	\$147,495
Total Income		\$253,691,400	\$463,134,300
	<b>% of Income</b>		
Groceries	6.0%	\$15,221,500	\$27,788,100
Health & Personal Care	1.8%	\$4,665,500	\$8,517,200
Other Shopper's Goods	12.1%	\$30,773,700	\$56,179,800
Eating & Drinking	5.0%	\$12,684,600	\$23,156,700
Total		\$63,345,300	\$115,641,800

Source: Claritas, Inc; W-ZHA

Given the character and location of competitive neighborhood and community shopping centers, W-ZHA applied capture rates to determine how much the spending the Study Area will likely capture. The high capture rates for grocery and health and personal care assumes that households will mostly avoid the congested Interstate 77 area and shop in the Study Area when buying convenience goods.

**Trade Area Supportable Retail Sales  
Davidson-Concord Study Area  
2020**

	Primary Trade Area			Other Trade 25% Other	Total Supportable Sales
	Potential	Capture	Supportable Sales		
Groceries	\$27,788,100	40%	\$11,115,240	\$2,778,800	\$13,894,040
Health & Personal Care	\$8,517,200	40%	\$3,406,880	\$851,700	\$4,258,580
Other Shoppers Goods	\$56,179,800	15%	\$8,426,970	\$2,106,700	\$10,533,670
Eating & Drinking	\$23,156,700	10%	\$2,315,670	\$578,900	\$2,894,570
Total	\$115,641,800		\$25,264,760	\$6,316,200	\$31,580,960

Source: W-ZHA

W-ZHA has assumed that 25 percent of sales in a center located on NC 73 will be derived from NC 73 commuters and travelers. To realize this level of market penetration will require that the retail center be located at the Davidson-Concord Road and NC 73 intersection.

Assuming an average sales volume of \$350 per square foot, the market can support 90,200 square feet of retail in the Study Area.

**Trade Area Supportable Retail Square Feet  
Davidson-Concord Study Area  
2020**

	Total Supportable Sales	Supportable Square Feet
Groceries	\$13,894,040	39,700
Health & Personal Care	\$4,258,580	12,200
General Merchandise	\$10,533,670	30,100
Eating & Drinking	\$2,894,570	8,300
Total	\$31,580,960	90,200

Source: W-ZHA

A center oriented to the immediate community would also include services like a barber shop, bank, fitness facility, etc. In total, a center of approximately 117,300 square feet is supportable by 2020.

**Supportable Shopping Center Space  
Davidson-Concord Study Area  
2020**

	Moderate Scenario	High Scenario
Retail Space	90,200	90,200
Service Space (Barber Shops, Bank, etc.)	27,060	27,060
Big Box Anchor(s)	0	100,000
Total	117,260	217,260

Source: W-ZHA

Prosperity Church Extension's impact on the Study Area's retail positioning is difficult to predict. Creating a direct north-south connection to I-485 will make the intersection of Davidson-Concord Road and NC 73 more regional in character. There may be an opportunity to attract community-oriented big and/or medium box anchors when this connection happens. For planning purposes, the Davidson-Concord Road/NC 73/Prosperity Church can likely support between 117,260 and 217,260 square feet of shopping center space.

A portion of the primary trade area's retail potential may be captured on Bailey Road at the intersection of Davidson-Concord Road and/or NC 115. Significant household development is projected for this portion of the Study Area. There may be the potential to develop a small neighborhood convenience center at one or both of these locations.

# CONCLUSIONS: STUDY AREA ECONOMIC POSITIONING



Job Estimates		
Node	Land Use %	Employees
North of 73		
Office	40	256
Retail	60	274
	<b>TOTAL</b>	<b>530</b>
Hopewell		
Retail	100	11
	<b>TOTAL</b>	<b>11</b>
Westmoreland		
Office	50	112
Retail	50	180
	<b>TOTAL</b>	<b>292</b>
<b>Total</b>		<b>833</b>

Housing Estimates		
Node	Units/Acre	Min. Units
North of 73		
Neighborhood Center	8	160
Neighborhood General	6	126
Neighborhood Edge	4	36
	<b>TOTAL</b>	<b>322</b>
Hopewell		
Neighborhood General	6	102
Neighborhood Edge	4	104
	<b>TOTAL</b>	<b>206</b>
Westmoreland		
Neighborhood Center	8	56
Neighborhood General	6	90
Neighborhood Edge	4	88
	<b>TOTAL</b>	<b>234</b>
<b>Total</b>		<b>762</b>

The Davidson-Concord Study Area is centrally located in the rapidly growing North Mecklenburg County region. Today, the Study Area is rural in character with the prominent use being single family residential. The Study Area's ambiance is in direct contrast to the congested I-77 corridor area.

As the market findings reveal growth will likely create pressure for new residential, commercial and flex industrial development within the Study Area. This growth must be managed to leverage and protect the Study Area's locational value. The Study Area's greatest asset is, on one hand, its access to I-77 and the region's employment centers and, on the other hand, the Study Area's pristine environmental character. The Study Area's current environment is in stark contrast to the areas immediately adjacent to I-77.

The Study Area's future economic position should aim to further distinguish the Davidson-Concord Study Area as distinctly different from the I-77 marketplace. A limited number of mixed-use nodes should be identified within the Study Area to broaden the residential and commercial product types available in the Study Area. In contrast to the auto-oriented, strip center character of the I-77 area, these nodes should be "Village-settings" with an emphasis on the pedestrian environment. Higher density housing products, service office space and neighborhood or community retail should be available in these nodes. The nodes will broaden the range of services and housing product types available to the community. As such, these nodes are not targeted to serving a regional market, but, instead, the local market. The mixed-use nodes will function as community amenities.

The intersection of Davidson-Concord Road and NC 73 offers the greatest opportunity for mixed-use residential, office, and retail development. Given the prospect of the Prosperity Church connection, it is likely that this node will develop in phases. It is imperative that near term land use plans demonstrate how the plan can accommodate more intensive development in the future.

Small neighborhood mixed-use nodes are also possible on the western side of Davidson-Concord Road at the Bailey Road intersection and in the vicinity of the Bailey Road and NC 115 intersection. The Davidson-Concord Road and Bailey Road intersection may be able to accommodate townhouse development, a small amount of neighborhood serving retail and service office space. The Bailey Road and NC 115 node will be more commercial in character with the potential for a small amount of neighborhood retail and, potentially, single tenant office and/or flex space.