

Strategic Plan For Economic Development

Town of Marshville
Town of Wingate



October, 2008

Provided By

Greenfield

Williamston, NC

Wrightsville Beach, NC



Vision without action is a daydream.

Action without vision is a nightmare.

Japanese Proverb

TABLE OF CONTENTS



	<u>Page</u>
SECTION 1 - Introduction to the Project	1
SECTION 2 - Key Findings	4
SECTION 3 - Statement of Vision	7
SECTION 4 - Strengths and Weaknesses	9
SECTION 5 - Recommendations	11
SECTION 6 – Beginning the Process	20
RESOURCES	28
APPENDICES	30

SECTION ONE

INTRODUCTION TO THE PROJECT



In 2008, the Towns of Wingate and Marshville joined with the Union County Partnership for Progress to commission a Strategic Plan for Economic Development. The catalyst for this study is the Monroe Connector I-74 highway project. The Towns commissioned the study to create a vision and proactive approach towards future development in this transportation corridor which can completely transform the economic landscape of eastern Union County. The Town Boards and Administrators want to capitalize on beneficial diverse growth along the corridor to create higher value jobs and to expand the Towns' tax bases. In order to accomplish these goals they have chosen to consider strategic planning early in the design / build stage of the highway project.

Greenfield is pleased to have been chosen as the consultant for this economic development study. We have over 50 years of combined experience as economic and community development professionals, and bring unique insights to these two communities from our varied backgrounds.

The first Task of the process was to review all available materials and studies concerning the two towns, including information on the following topics:

- Industrial / Commercial properties for sale – both sites and buildings,
- Industrial / commercial corridors as designated by land use plans,
- Population – including growth trends, age distribution and other factors,
- Workforce description – including existing skills, distribution among various industry sectors, wage rates, and commuting patterns,
- Training programs – through the Community College, high schools, Wingate University, satellite programs offered by the UNC system and any trade / private training organizations,
- Utility availability and costs – including water, sewer, natural gas, electricity, and telecommunications,

- Transportation corridors – major highways, airports, rail service, including information on shipping services, foreign trade zones,
- Existing industry mix – a list of all existing industries and other large employers, including a description of the products or services, employment, and international ties,
- Target business sectors – as previously developed by ally economic development organizations such as the Charlotte Regional Partnership, Duke Energy and ElectriCities of NC,
- Industrial support services – including such services as machine shops, motor repair, employment agencies, contract assemblers, sheltered workshops, engineering and architectural firms, industrial contractors, etc.,
- Local government investment – County and city taxes and incentives policies,
- Environmental limitations – such as non-attainment, wetlands, geotechnical site development issues, rural and historic preservation land use goals,

We also talked with both town administrators and economic development officials in the County. In addition, we took a detailed windshield tour of the towns with these local guides as well as completed investigations on our own. Additionally, we conducted telephone interviews with approximately 20 community stakeholders (from lists provided by the towns) to hear firsthand about the issues that each community faces.

These investigations let us to certain *Key Findings* that impact each community. These *Key Findings* include data that, in our opinion, tell the story about the current economic situation in the Towns. They also provide the introduction to Task 2 - Community Visioning session. As originally proposed, we were to hold separate forums for each Town and provide separate reports for each Town. We discovered in our data and issue review that although each Town has some unique issues, the Towns were more alike than different. It is instructive for everyone to understand that fact. As a result of our research and discussions with local officials, we elected to hold a single Visioning Session for the combined communities. In July, Greenfield facilitated a combined *town visioning session* where we presented our key findings and solicited input from town stakeholders. The result of the Town meeting was a Vision – a prioritized list of common goals. The results of this process are found in the “Statement of Vision” section of this report.

Task 3 involved analysis of the Towns in relationship to the Vision and prioritized goals. We have presented this information as a list of Strengths and Weaknesses. And finally, as a result

of our analysis of the data and issues, we have provided recommendations for actions the Towns can take to stimulate economic growth in order to achieve their vision of the future.

This study is intended to be a high level analysis with summary style report. Our hope is that the public will actually read this report and use it to get excited and engaged in implementing the recommendations. This planning process will focus the communities toward their own goals for the future.

Even with the present slowdown in the national and global economy, the long term prospects for the Charlotte Region are still optimistic; growth will eventually move into eastern Union County. Consequently, it is imperative that Marshville and Wingate are proactive to prepare for change so that it will happen according to local vision and plans. In fact, during a down economy when communities are not spending all their time reacting to other's proposals is the best time to set community goals and prepare town plans for the future.

SECTION TWO

KEY FINDINGS*Data Sources: US Census, NC Department of Commerce*

✦ **County and Towns are growing.**

- ✦ Union County grew 39% from 2000 thru 2006 (4th fastest growing county in the state from 1990-2000)
- ✦ Both Towns grew approximately 25% each, 2000 – 2004
- ✦ State only grew only 21% from 1990-2000

Population Growth (Most Recent Years)

	2000 Population	2004 Population	2006 Population	% Growth
Union County	123,772		172,094	39%
Marshville	2,360	2,664	--	23%
Wingate	2,406	2,779	--	24%

✦ **County median household income is high.**

- Second highest in the state at \$52,000+ in 2005
- Both towns' and state's median household income is significantly lower in the \$30,000s
- % of citizens in poverty lower than state average

✦ **Union County has high percentage of manufacturing jobs.**

- Approximately 20% of employment in manufacturing (NC only 13%)
- But manufacturing wages are 12% below state norm
- Other noteworthy employment sectors include:
 - Construction 16% (NC only 6%)
 - Health care 5.4% (NC over 10%)

✦ **In-commuting into County is significant.**

- 12,000+ daily come to Union County for work
 - Over 3,000 daily come from South Carolina
- County already identified as a place to go to work, especially for manufacturing jobs

- ✿ ***Towns' tax bases are stagnant.***
 - Although populations have grown, tax base value has not kept up due to lack of higher value new construction
 - Wingate University's tax-exempt status and large land holdings limit Town's physical ability to grow the tax base
 - Impedes the ability to fund infrastructure expansion

- ✿ ***Transportation corridors are congested.***
 - New I-74 corridor will help, but years away
 - Difficult rail access for potential users
 - Rail corridor through downtowns hampers activity and growth

- ✿ ***Infrastructure is inadequate.***
 - Extremely limited water / sewer capacities
 - Cannot add tax base without water/sewer service
 - Towns have most control over this
 - Limited telecommunications infrastructure
 - No natural gas in Marshville, limited in Wingate

- ✿ ***No Class A industrial / commercial sites or buildings.***
 - Have no facilities for potential new business

- ✿ ***Downtown areas for both communities are dormant.***
 - Wingate has essentially no downtown
 - Marshville has limited downtown commercial area
 - Limited retail / services businesses – including health care

- ✿ ***Wingate University is significant asset.***
 - Acts as “third city”
 - Not appropriately leveraged as an asset
 - Does have local impact
 - Wingate – significantly lower median age and higher renter-occupied housing

- ✿ ***Helms Center.***
 - Unique but isolated

✦ ***Excellent cooperation between towns.***

- Town boards and administrators communicate / cooperate
- Understand they must work together for economic growth

SECTION THREE

STATEMENT OF VISION AND PRIORITIES



In preparation for the Community visioning event, Greenfield interviewed almost 20 people from the two Towns to hear firsthand what they believed the urgent issues to be. We also prepared the *Key Findings* stated in the previous section of this report.

Many of the attendees were local leaders and stakeholders, as well as individuals with expertise on issues of importance to a business's decision to locate in a community. The participants included an invited list of elected officials, business leaders, involved citizens, University and educational leaders, county and town administration and other utility and transportation officials.

Almost 40 people attended the Visioning session and participated in lively discussions. None were very surprised by the *Key Findings*, and all seemed to agree that the issues facing each Town are common to both Towns. All participants were pleased that the Towns were beginning to engage in the process of planning for the future and hoped that the enthusiasm will carry over beyond planning and into implementation.

After much discussion, the group was quick to agree on the following five priorities:

Priority 1 - Expand water and sewer availability.

Priority 2 - Cooperate with each other and the County on regional land use plans.

- Business corridors needed
- Plan for the I-74 impact
- Set aside land for industrial parks

Priority 3 - Increase the Towns' tax base and revenue.

Priority 4 - Create a bold destination or gateway image.

Priority 5 - Engage landowners to become part of the vision.

In addition to these above-mentioned priorities, other issues were discussed, but were not considered as important as the first five priorities.

- Increase the median income in the eastern part of the County.
- Better leverage Wingate University assets, resources.
- Proactively recruit targeted businesses.
 - Higher wage businesses
 - Specific absent retail and services
- Become proactive in transportation planning.
 - Become informed about I-74 details.
 - Work for other road / rail improvement projects like US 601 South.
- Leverage the railroad.
 - Create an asset rather than a hindrance.
- Encourage private investment.
- Encourage public transportation solutions to the high cost of commuting.

SECTION FOUR

STRENGTHS AND WEAKNESSES

Based on the priorities and goals set out by the Towns at their Visioning Session, Greenfield has analyzed the communities' strengths and weaknesses as they relate to the Vision priorities and other issues.

✦ Strengths

- In major growth market
 - Provides springboard for additional growth
- Unified and proactive local governments
 - Leadership is a key ingredient for implementing the vision
- Strong manufacturing base
 - Can provide higher wage opportunities
 - Provides base of support services
 - Provides training opportunities
 - Creates culture of understanding for other target industries
- Wingate University
 - Potential partner for initiatives
 - Wealth of knowledge and physical assets
- Major highway improvements are coming
 - Key infrastructure for both manufacturing and retail growth
- Open land and time to plan
 - Suburban fringe area – the growth is coming
- “Small town, rural” feel adjacent to major metro area
- Rail access
 - More attractive as gas prices remain high

 **Weaknesses**

- Severe water/sewer limitation
 - Growth cannot happen without this critical infrastructure
- US 74 corridor clutter
 - Visual issue that reflects a negative first impression
- Lack of upscale retail and certain services
 - Limits upscale housing potential
- Tax base value and growth potential
 - Value must increase to provide revenue for needed improvements
- Lack of product for sale – commercial / industrial sites, buildings
 - Without product, businesses have no where to locate
- Towns not engaged with Wingate University
 - Valuable resource untapped
- Environmental non-attainment area
 - Somewhat limits manufacturing targets

SECTION FIVE

RECOMMENDATIONS

The purpose of this study is to create recommendations and solutions that will move Marshville and Wingate towards their collective Vision. This Vision is possible, viable and attainable in the future with community consensus, concentration, and commitment. However, the barriers to success of this Vision are significant, requiring focus, attention and long-term dedication and hard work. Therefore, we have provided only a few essential recommendations to the Towns – instead of diluting local efforts with a large number of initiatives. We encourage the Towns to work in concert with each other and the County to implement the broad strategies and tasks listed below with intensity and focus.

For the towns' top five priorities, as created during the Visioning Session, Greenfield has provided our recommendations about how to achieve each goal.

Priority 1 - Expand water and sewer availability.

The Visioning results indicate that this is the top priority for the communities to implement, and we agree. Without water and sewer, no additional development of any substantial nature can take place. We also understand that the Towns need to know more about the amount, type and location of the development they will attract as the basis for planning future infrastructure. Consequently, this task should be coordinated with the planning recommendations that are listed as number 2 below. However, we still agree that this is the number one priority because significant water and sewer capacities will be required for any new development – with or without regional land use planning.

The difficulty with this issue is that it requires both short and long term solutions, as well as a significant amount of money.

- ✦ ***Decide on an engineering plan*** to provide water and wastewater treatment capacity and significant transmission lines to both Marshville and Wingate. Several options have already been proposed. Pull officials together to decide on which options to pursue and begin to implement it. Do not wait for the County to start the process. Be proactive. Make them work with you to start the process.

Keep the construction plans and specifications for at least **one project in the pipeline at all times**. Periodically, funding agencies have infrastructure project money left over at the end of a fiscal year that they need to obligate or else they lose it. At these times, funders will consider funding projects that have construction plans in place and are ready to go. Although this does not happen with any regularity in today's world, it is a possibility.

- ✦ **Hire grant writing and financial consultants** to pursue all options for funding treatment and line expansions. Often, such professionals will defer at least a portion of their fee payments until a project is actually funded. Try to use one individual or firm for both communities, to provide continuity in grant requests and program management. **One example of a funding source** is the NC Rural Center's Economic Infrastructure Water and Sewer Grants. **The North Carolina Economic Infrastructure Program** has received approximately \$57 million in appropriation funds through FY07 - 08. Eligible applicants are units of local government in North Carolina. The Program will assist a unit of local government by funding up to \$10,000 per job created, for up to one half of water and sewer infrastructure costs, or a maximum of \$1,000,000, in projects that result in the creation of private sector jobs. Jobs must be full time, and must pay at least minimum wage. A local match of 5% of the total cost of the infrastructure is required.

Additional examples of funding sources, technical assistance agencies and other resources are more fully described in *Appendix 1*.

- ✦ **Negotiate utility rights of way** along the I-74 and other transportation corridors **now** while in the planning stages, to provide access when actual lines need to go in the ground. This can save money, as well as time, for any new infrastructure projects in the future.
- ✦ Engage the voting public and recruit willing and able persons to run for County Commissioner from the eastern part of the County. **Ask relentlessly for support** to expand the water and sewer systems in this part of the County.

Priority 2- Cooperate with each other and the County on regional land use plans.

- ✦ **Start now on unified and accelerated planning.**

- Coordinate planning and zoning regulations that can overlap as the Towns grow together.

- Request that the County give up its jurisdiction to the Towns on the small amount of land in between the Towns.

✿ ***Designate large areas for business corridors / industrial park.***

- Use large tracts of undeveloped land still existing in the eastern part of the county, to provide a place for job creation.
- Work with landowners to create a public/private project to develop industrial parks and Class A commercial space for the Charlotte Region's target business sectors, including composite technology companies, financial services companies, transportation equipment suppliers, machine manufacturing and other industry sectors (including pharmaceuticals once water / sewer issues are resolved).
- Take advantage of the existing rail corridors and access.
- Build on the County's existing manufacturing base and labor draw capability.

✿ ***Research ownership, development and funding mechanisms allowing for **multi-jurisdictional revenue and cost sharing.*****

One example and the first business park in NC that used inter-local agreements to develop and operate a park in this manner is the North Mecklenburg Industrial Park. It is a joint venture between the Towns of Davidson, Huntersville, Cornelius, Mecklenburg County and private landowners. The revenue for the Park is collected from investments located within the Park based on the Huntersville tax rate (i.e., town plus County rate). Then revenue is disbursed to the partners based on each entity's percentage of the capital and operating investment/cost value. A committee of joint venture partners manages the Park.

Other than the University Research Park in northern Mecklenburg County, the Charlotte Region does not have a large area of Class A master planned, industrial/R&D space. Many industrial parks or office parks have been developed, but none that match the scale of the Research Triangle Park or Treyburn. With the Charlotte Region as the draw, a large park of this type will have a significant market demand in the future.

See *Appendix 2* for more information on Treyburn Corporate Park (Durham, NC), Cummings Research Park (Huntsville, AL) and the Williamsburg Corporate Campus (Williamsburg, VA.).

- ✦ **Plan densities and mixed use** ordinances to achieve and maintain the rural and suburban nature of the Towns as they exist today.

Research examples of similar communities like the Town of Davidson, which is home to Davidson University, and the new planned community Birkdale Village. Both of these communities' growth was spurred by the construction of a new highway (I-77). Also, both of these communities used the "new urbanism" or "smart growth" philosophy to design mixed use developments that retain or create that sense of quality and community that Marshville and Wingate want to reflect. This new philosophy is the antithesis of strip commercial that dominates Monroe and suburban sprawl that dominates the northwestern portions of Union County.

See *Appendix 3* for more information about and pictures of Davidson and Birkdale Village.

New trends in planning and development are more concerned with layout and design of mixed use space than with zoning ordinances that focus on a single use for a space or area. The principles of this philosophy as described below include a sensitivity for "green" issues such as the need for fewer car trips, sustainability and low environmental impact (see *Appendix 4*):

- Walkability / Personal Mobility – emphasis on walking and biking, convenience, ease, protection from traffic, mass transit,
 - Mixed use and diversity of space,
 - Quality architecture and design,
 - Traditional neighborhood design with open and public spaces in the middle,
 - Increased densities for more cost effective use of services and ease of walking,
 - Smart transportation with spaces for all types, including rail and bicycle,
 - Minimal environmental impact.
- ✦ **Work proactively with private developers** to help them understand what the Towns desire. If a Town has a vision and rules in place to reflect that vision, developers will come to help implement the plan. In addition to the market demand, part of the profitability of a project depends on the costs to plan and approve the designs. If the

Towns have rules in place that make that process easy to follow (a minimum of delays and changes), it leaves more money available to put extras into the physical offerings - like more extensive lighting and landscaping for required public spaces. It creates a win-win for both the developer and the Town. The Town gets a project that is exactly what they want and the developer makes money doing it quickly.

✦ ***Plan for I-74 impact.***

- ***Actively encourage the NC Turnpike Authority to complete the Monroe Connector.***
According to the NC Turnpike Authority website, the decision to go ahead with the project's construction will be made during October 2009. In the meantime, a draft environmental impact statement is scheduled to be released in Dec 2008 and a final impact statement in August 2009. During this period of time, both during public comment opportunities and privately with Turnpike members, the Towns must plead their case to begin construction of the project as soon as possible.

There are other competing projects that are also being considered by the Authority. Consequently, Greenfield believes that a constant petitioning effort showing the local vision, goals and plans for areas along the road corridor and interchanges will help persuade the Authority that their dollars are being well utilized by this project.

Contact persons for the Authority are shown on the website www.ncturnpike.org/projects/monroe and further information is attached in *Appendix 5*.

- To keep the new highway corridors from becoming disjointed commercial strips, ***implement uniform regulations*** for lighting, architectural standards, landscaping guidelines, signage limitations, special uses, nuisance ordinances, etc under new regional land use plans.

Priority 3 - Increase the Towns' tax base and revenue.

- ✦ ***Proactively recruit targeted businesses*** to the downtown areas and newly designated industrial areas described above. Specific retail businesses identified during the Vision session as special needs include those listed below. Conduct a survey (perhaps with the help of Wingate students or as part of a ***Charrette*** planning process) to identify exactly what types of services are desired and missing. Some suggestions offered in the Visioning Session were:

- Motel(s) for Wingate University and Helms Center visitors,
- pharmacy for Wingate,
- upscale retail shops for both communities,
- Retirement communities for Wingate alums or people interested in lifelong learning,
- Student-related services such as pizza parlors, coffee shops, music stores,
- New affordable housing for faculty and staff.

✿ ***Develop a tax incentive program to encourage downtown*** building owners to redevelop and expand properties, such as those listed below. State and federal programs exist and can be leveraged to assist communities with these types of projects:

- low interest revolving loans,
- tax increment grants,
- architectural and engineering assistance,
- tax credits,
- facade grants to preserve historic structures.

✿ ***Explore the possibility of a new downtown for Wingate.***

- Work with Wingate University and other nearby landowners to identify possible locations for a new downtown area.
- Research other communities that have completed or are planning similar relocations such as Belville, NC and the Mayfaire Town Center in Wilmington. See *Appendix 6* for more information on the Belville process.

Resources to help with this initiative can be found through state agencies such as the NC Rural Center. The Rural Center's [Building Reuse and Restoration Grants Program](#) is designed to spur economic activity and job creation by assisting in the productive reuse of vacant buildings in small towns, with priority on towns with populations of fewer than 5,000. Launched in 2004, it has been extended with a \$5 million investment over the next two years. Funding is made available through the building reuse portion of the Economic Infrastructure Fund, first authorized by the N.C. General Assembly in 2005. In its first year, a \$2.3 million investment leveraged \$65 million and will create more than 700 jobs.

Priority 4 - Create a bold destination or gateway image.**✦ Utilize the new Monroe Connector interchanges as “Gateways” to the communities.**

- Be active in planning process for interchanges, including landscaping, lighting, etc.
- Consider unified signage and lighting for Wingate - Marshville corridor along existing US 74.
- Pay special attention to billboard regulations.

✦ Recruit an anchor venue / attraction for the US Hwy 74 and Monroe Connector interchange. Although the Charlotte Region already has Carowinds on its south side, Greenfield believes that the Wingate / Marshville area has the capability to support another destination recreation/entertainment venue. Some suggestions are a major water park with skateboard / bmx bike competition area, an equestrian center, outlet malls, or other major entertainment complex. The attraction needs to be one that diverts traffic off the highway, and one that will become a destination unto itself.

For more information on the following examples, see *Appendix 7*:

- Broadway At The Beach, Myrtle Beach, SC
- Discovery Island Water Park, Greenville, SC
- Senator Bob Martin Eastern Agricultural and Meeting Center, Williamston, NC.

✦ Develop the major Class A business park as described earlier, off of the Monroe Connector interchange north of Wingate.**Priority 5 - Engage landowners to become part of the vision.****✦ Better leverage the resources of Wingate University.**

The University is the largest landowner in the Town of Wingate and one of the largest within the entire scope of this project. The main entrance into campus is along US Highway 74, and the campus provides an outstanding backdrop for the area. In fact, the campus is the primary image most travelers have of the 74 corridor. It is imperative that the University be involved in any discussions about developing a common visual plan, as well as in any discussions about a new downtown for Wingate.

In addition, the University has considerable assets and resources that can be useful in growing both Towns. Suggestions for cooperative opportunities between the Towns, County and Wingate University include:

- Use Wingate facilities to host other institutional education programs, courses or seminars – engineering, masters courses, special institutes, weekend or summer programs, etc.,

Example: NCSU Engineering courses held at Gateway Center (Rocky Mount, NC),

- Provide small business consulting services to local businesses through Business School,
 - Offer Health care services through Physicians Assistance program,
 - Promote concert and other entertainment series,
 - Wellness center for students open to community membership,
 - Services for Latino community.
- ✿ Work with existing land owners throughout the communities to put together **a major Class A business park**, as mentioned previously.

Other recommendations, not specifically related to the top five Vision priorities include the following:

✿ **Promote Light Rail commuter trains from Charlotte with final stop in Marshville.**

The new Charlotte mass transit system has plans to come east, generally along US 74 as far as I-485. Eastern Union County should request for the light rail to continue the plans all the way to Marshville. See *Appendix 8* for information on the future plans of the CATS.

✿ **Unified marketing effort.**

When the time comes for marketing, Marshville and Wingate should coordinate and cooperate to promote eastern Union County as a location for development. However, Greenfield does not recommend any marketing efforts until product development projects are nearing completion.

Once the interchange destination / gateway project is in place, the Towns can market it through established tourism networks. New industrial park project(s) can also be marketed via established networks in the economic development field, primarily via the Union County Partnership for Progress, the Charlotte Regional Partnership (www.charlotteusa.com) and the NC Dept of Commerce (www.NCSiteSearch.com). See *Appendix 9* for examples of sites in Union County already in this system.

SECTION SIX

BEGINNING THE PROCESS

In general, involved and effective leadership will be paramount to the success of this transformation process. Individual citizens will need to spend the time and energy it takes to bring about this Vision.

- ✦ ***Identify and recruit determined, enthusiastic leaders*** to shepherd each task and provide focused project management. We met enough people during our research to know that such people exist in Marshville and Wingate. They need to be encouraged and pulled into the process.

Neither town has a large staff or a large budget to pay project managers. Consequently, community volunteers will need to be recruited for many of the tasks described above, especially the tasks that require strategic planning or convincing other governmental organizations. In certain cases, consultants will be required to design or implement projects.

As a beginning step, the Town Boards should meet together to decide which projects they will work on together and any they will work on separately -- along with the priority for each. The Boards should discuss potential volunteers to head up each task and then **ASK** them to participate. It is desirable for each task to be led by an elected official, but given other Town operating duties, it will be necessary to find some volunteer leaders. Each joint task needs to have in its group at least one elected official from each Town, even if they are not the group leader. It is important that the elected officials stay very close to the process so that they can provide continuity, understand the financial needs and budgeting issues over a long period of time.

In addition to volunteers, the staff of other governmental agencies (such as the county planning department and Union County Partnership for Progress) can provide assistance. Student volunteers or interns from Wingate University, UNCC, South Piedmont CC, and other schools can be used to research issues. Resources can be leveraged from a long list of federal and state agencies as well as non-profits. The North Carolina Main Street Center, as well as other NC Department of Commerce Community Assistance programs, can provide technical assistance. The Towns can call on the North Carolina Downtown Development Association for information. The NC Rural Economic Development Center, Inc. has a Small Towns Initiative Strategic Plan For Economic Development

Town of Marshville– Town of Wingate

which provides grants for planning and project implementation, as well as other services. The Rural Center’s Directory of Resources for small towns can be found online on their website at www.ncruralcenter.org/pubs/smalltownsresourcedirectory.pdf A copy of the directory’s table of contents is included as *Appendix 10*.

The Rural Center also has a training institute to help develop leadership in small towns. Each spring, the Rural Center offers its [Rural Economic Development Institute](#), a nine-day leadership development program focusing on comprehensive economic development strategies and the skills necessary to effect change in rural communities. The leaders needed to effect change in Marshville and Wingate perhaps can gain insight by participating in this or other leadership training opportunities.

The NC Economic Developers Association provides an Economic Development Handbook written for elected officials and allies as a guide to understanding the ED process and resources. A copy of this Handbook is included as an attachment as *Appendix 11*; copies are available for free from NCEDA.

Organize the Tasks.

Based on the report Recommendations, we suggest the project tasks be organized in the following manner.

Strategic Planning Committee (Umbrella Organization)

- Funding Sources Committee
- Water/Sewer Committee
- Transportation Committee
 - I-74 Monroe Connector
 - Light / commuter rail
- Leadership / Volunteer Recruitment Committee
- Land Use Planning Committee
 - New coordinated land plan/zoning regulations
 - New I-74 Gateway project
 - New Wingate downtown
 - New industrial/ business park
 - Existing commercial corridor revitalization (Marshville downtown, existing 74 corridor)

Once the umbrella Strategic Planning Committee is organized, its first step should be to make sure each of the subcommittees has committed and well-respected leadership.

✦ **Hold a Charrette.**

The Towns have gone through a visioning process, but the vision remains on paper in this report. We recommend continuing the planning process using the “Charrette” method to focus the Towns on a visual representation of the collective future. A Charrette actually takes the verbal vision and places it in a “spatial” and “visual” context by involving architectural / design professionals (and / or students) throughout the process. Participants do not just talk about locating a new town square; they work with professionals to design the visual aspects of the project. Pictures and drawings are immediately understood, so community participants know within days whether or not they like a concept.

The Charrette process usually involves four sessions, one a week for four weeks. Timing is condensed, so that ideas will remain fresh and energies high.

The first step is to choose the general areas that need attention. For Marshville and Wingate these could be:

- New Wingate downtown
- Existing commercial corridors – Marshville downtown, US 74 commercial strip
- New Monroe Connector interchanges
- New industrial/R&D/commercial business park corridor
- Any potential housing development

These general areas are each circled on separate maps and posted around a large gathering room with comment sheets for each at the first Charrette meeting. The comment sheets are large flip chart pages where all the comments can be written and seen by everyone. The public will first hear about the process and its goals. Then they are encouraged to participate by describing their specific ideas for each area. They do this by circulating to each map and writing comments about each that everyone can see. A collaborative environment with social interaction is part of the process to build community around the maps and ideas. If different opinions arise, this informal setting allows discussion.

The design team then takes these comments and turns them into drawings of possible development projects that could go into each area. The design team generally should take only a few days to do their own research and physical review of the site areas prior to working on the public’s ideas. At the next public gathering, these drawings are presented for public review, critique and comment in the same method as the first meeting – separate maps with site

specific drawings and public comment sheets for all to see. Do the drawings represent what the public said they wanted?

The design team uses this second round of review comments and revises the drawings to reflect the new round of public input. A final presentation and plan will result from these comments. Once the final plan is presented, elected officials can begin to move forward with implementing new guidelines, rules and ordinances around the new vision.

The NC Dept of Commerce, Community Assistance Division can provide guidance on resources to implement this process. The other towns mentioned in this report who have gone through the process, specifically Davidson and Belville, have offered their advice and experience on both the process itself and resources to implement it. The Town of Wrightsville Beach has also more recently completed a Charrette and can provide useful advice on the process.

More detailed information about the Charrette process is contained in *Appendix 12*.

Coordinate the Overall Plan with Separate Tasks.

Once the Charrette process is complete, the umbrella Strategic Planning Committee can organize a discussion among the committee leadership on how to move forward on each of the separate issues and tasks. At this point in the process, priorities need to be established for the tasks so that limited resources can be targeted to the higher priority issues. Once this strategic planning committee has coordinated its strategy, each committee can move forward separately on its task as agreed, with only periodic review by the umbrella committee as required. The Town Boards can use this Strategic Planning Committee to help funnel and sort budgeting issues that arise from the plans.

Although this Strategic Planning Committee and its subcommittees will be organized to plan and implement specific tasks that are time sensitive, this structure can be used repeatedly over time to solve other community issues as they arise – especially with issues that cross political jurisdictions.

✿ **Individual Committee Tasks**

✿ **Funding Sources Committee**

This committee will be a resource to all of the other committees and an advisor to the Town Boards as they decide when and how to move forward on the projects that are proposed. This task is likely to need professional help from a grant writer / consultant /tax advisor with occasional legal advice.

As a start the Small Towns Resource Directory previously described and attached as *Appendix 10* can be used by the committee members to educate themselves on the array of available sources. This committee should research all possible funding sources and mechanisms and how they affect the project costs and follow up administration. The committee can also be used in a broader advisory role to look at the overall financial feasibility of the projects - analyzing the potential tax base increase and impact on tax rates to the Towns and the County. This committee can also advise on any tax incentive options that each Town might consider as a recruitment tool to boost business locations.

Possible volunteer or paid consultant members of this committee might include financial professionals, grant writers from the County planning staff, tax assessor, and legal counsel.

✿ **Water / Sewer Committee**

The members of this sub-group should consist of primarily elected officials and Town staff. Other important sources of influence such as major political contributors or well-respected community leaders should also be recruited for this committee. This is foremost an effort to contact and education decision makers; members must have the authority to speak for the community. Other potential members might be engineering consultants or construction project managers with expertise in infrastructure development.

This group should coordinate closely with the funding sources committee so that when local requests go to the County, they have suggestions for accomplishing what they need. It might be that “small town” status can leverage funding sources that the affluent County cannot access.

The committee should also coordinate with the regional land use committee so that they have in hand the new land use plans that reflect where and how much new infrastructure is required.

The primary purpose of this group is to be a “squeaky wheel” to County staff and elected officials, contributing options and solutions.

✦ **Transportation Committee**

I-74 Monroe Connector – Supporting this project is the primary goal of this committee. Committee members need to focus efforts on education and informing state level staff and elected officials as to the importance of this project to not only eastern Union County, but to the entire Charlotte region. Members should include some local elected officials and other influential local citizens that have the time and connections to persistently deliver the Towns’ message to state officials and transportation staff. Because this decision is scheduled for October 2009, efforts to support this project must begin immediately. This road project will be the impetus that creates market demand for many other development projects. If the road does not start on schedule, other development projects will likely be delayed. Both Towns need the tax base expansion the Monroe Connector will provide. This message needs to be delivered positively, concisely and constantly until the project actually begins. Efforts need to continue even after construction starts, to keep the project on schedule.

The NC Turnpike Authority (as a coordinated agency with NC DOT) is directly responsible for the decisions on this project. Each member of the Authority, as well as DOT Board members and staff and state elected officials should be contacted and informed about the immediate need for the road and how the Towns and County will leverage it with their own plans. The contacts for the Turnpike Authority are included in Appendix 5. Greenfield believes that if the Towns have clear visions, goals and plans in place, it will help the Authority understand that the road project is essential to growth and prosperity in Wingate and Marshville.

Charlotte Area Transit System (CATS) – Because of the current high price of gasoline, this project takes on a greater importance for development on the fringes of the metro area. A cheaper and faster alternative for commuting from the outer suburbs will prompt more development opportunities in Wingate and Marshville. Convincing authorities to further extend this system from its presently planned terminus near I-485 to Marshville is a long term project to be supported by this same transportation committee after the Monroe Connector decision is finalized in 2009. CATS officials are the decision makers on this project. Members with influence in the Charlotte Region are needed to contact officials on behalf of this project. Information on the CATS plans is included in *Appendix 8*.

Leadership / Volunteer Recruitment Committee

This group's most important purpose is to keep the other groups filled with the right people to accomplish all of the tasks. As described in the above section on leadership, members are to ASK and encourage residents of the communities and other stakeholders to get involved in this exciting economic transformation process. This committee will promote involvement not as a duty or responsibility, but as a remarkable opportunity to build a team that makes a real difference in the future of their world. Consequently, this committee needs people from all different backgrounds to be able to keep enough motivated and qualified recruits involved.

If all of these tasks seem overwhelming, it is interesting to note that the Town of Davidson began their similar process a number of years ago when they hired a Town Administrator for the first time ever. Needless to say, they certainly did not have a large staff of other paid employees to do the work. Although professional help is certainly required for some of the more technical tasks, many of the tasks described are better suited for the public and volunteers who are contributing their ideas and time to a leadership contact effort and a vision of the future.

Land Use Planning Committee

While the other committees begin their specific tasks, this committee can proceed with turning the Charrette Vision into concrete new processes, guidelines, rules and potential projects. The primary members of this group need to be technically oriented towards project development. Its members need to include County and Town planning and inspection staff and board members, real estate developers, brokers, architects and construction professionals and legal advisors. This committee will require the services of consultants such as urban planners, landscape architects, architects and attorneys to craft the new documents that reflect the new vision.

This group can visit other communities (such as Davidson and Belville) that have been through this same type of transformation and learn about their processes. Their review of those communities and understanding of the benefits and mistakes made by others can help guide the Towns' vision and implementation process.

Once the overall land plans and new guidelines are in place, this committee can begin to focus on implementing the list of specific development projects that are suggested during the Charrette process, and any others that may surface from other committees. For each of these projects, a subset of this group can work parallel to and coordinated with the land use process

described above to begin choosing specific properties for each project. They will need to craft ideas for project ownership structures with existing landowners and potential project developers. They can proactively recruit real estate developers who understand and appreciate the communities' vision of the future and who will be partners in the process. While researching the example communities and projects provided in this report, members can make a list of the real estate developers that have experience with similar projects.

Projects that the Land Use Committee might facilitate include:

- New coordinated land plan/zoning regulations,
- New I-74 Gateway project,
- New Wingate downtown,
- New industrial/ business park, or
- Existing commercial corridor revitalization (Marshville downtown, existing 74 corridor).

Of course, the final list will not be developed until after the Charrette process is complete.

Other partners that might provide infrastructure investment, such as Anson County, may also be included in the discussions. The committee will need to coordinate closely with the other committees to understand timing issues and potential funding sources for the major infrastructure that is required to support each proposed project.

The umbrella Strategic Planning Committee will make sure all the committees are coordinating with each other as required to move the vision forward. This entire planning process will take years to complete, so some change in committee membership can be expected. However, it will be important to keep as many original members of the umbrella committee involved for as long as possible, to bring continuity and stability to the process.

RESOURCES

US Census Bureau: <http://www.census.gov>

NC Department of Commerce: <http://www.nccommerce.com>

NC Department of Commerce, Main Street and Other Community Assistance Programs:
<http://www.nccommerce.com/en/CommunityServices/CommunityPlanningAssistance>

NC Rural Center: <http://www.ncruralcenter.org>

US Department of Agriculture, Rural Development Agency: <http://www.rurdev.usda.gov>

Union County Partnership for Progress: <http://www.unioncpp.com>

Charlotte Regional Partnership: <http://www.charlotteusa.com>

NC Downtown Development Association: <http://www.ncdda.org>

Treyburn Corporate Park: <http://www.treyburn.com>

Cummings Research Park: <http://www.huntsvillealabamausa.com>

Discovery Business Park: <http://www.newtownwilliamsburg.com/discoverypark.html>

Davidson, NC: <http://ci.davidson.nc.us>

Birkdale Village: <http://www.birkdalevillage.net>

New Urbanism: <http://www.newurbanism.org>

Smart Growth: <http://www.smartgrowth.org>

North Carolina Turnpike Authority: <http://www.ncturnpike.org>

Belville, NC: <http://www.townofbelville.com>

Broadway at the Beach: <http://www.broadwayatthebeach.com>

Discovery Island Water Park: <http://www.gcrd.org/discoveryisland>

Sen. Bob Martin Eastern Agricultural Center:

<http://www.ncagr.gov/markets/facilities/agcenters/eastern>

Charlotte Area Transit System Southeast Corridor:

<http://www.charmeck.org/Departments/CATS/Rapid+Transit+Planning/Southeast+Corridor/Home>

NC SiteSearch: <http://www.ncsitesearch.com>

North Carolina Economic Developers Association: <http://www.nceda.org>

The Charrette Process: <http://www.charretteinstitute.org/charrette.html>

NC Institute of Government: <http://www.sog.unc.edu>

NC League of Municipalities: <http://www.nclm.org>

APPENDICES



Appendix 1 - Funding Resources

- Examples of General Resources
- Local Finance Bulletin

Appendix 2 - Class A Business Parks Examples

- Treyburn Corporate Park, Durham, NC
- Cummings Research Park, Huntsville, AL
- Discovery Business Park, Williamsburg, VA

Appendix 3 - Davidson and Birkdale Village

Appendix 4 - New Urbanism / Smart Growth

Appendix 5 - I-74 Monroe Connector - Status and Contact Information

Appendix 6 - Belville New Downtown Process

Appendix 7 - Gateway Destination Examples

- Broadway at the Beach, Myrtle Beach, SC
- Discovery Island Water Park, Greenville, SC
- Senator Bob Martin Eastern Agricultural Center, Williamston, NC

Appendix 8 - Charlotte Area Transit System Plans

Appendix 9 - NC SiteSearch – Union County Sites

Appendix 10 - NC Rural Center for Economic Development – Directory of Small Town Resources (Table of Contents)

Appendix 11 - Economic Development Handbook from NCEDA

Appendix 12 – The Charrette Process

Appendix 1
FUNDING RESOURCES



Below are some examples of possible sources for financing large infrastructure projects, as will be needed by the Towns.

North Carolina Financial Programs

<http://www.nccommerce.com>

Tax Increment Financing, or **TIF**, is a public financing method which has been used for **redevelopment** and community improvement projects in the **United States** for more than 50 years. NC's enabling legislation was only recently passed and therefore this is a fairly new potential source for Marshville, Wingate and Union County. With **federal** and **state** sources for redevelopment generally less available, TIF has become an often-used financing mechanism for **municipalities**. TIF is a tool to use future gains in taxes to finance the current improvements that will create those gains. When a public project such as a road, school, or hazardous waste cleanup is carried out, there is often an increase in the value of surrounding **real estate**, and perhaps new investment (new or rehabilitated buildings, for example). This increased site value and investment generates increased tax revenues. The increased tax revenues are the "tax increment." Tax Increment Financing dedicates tax increments within a certain defined district to finance debt issued to pay for the project. TIF is designed to channel funding toward improvements in distressed or underdeveloped areas where development would not otherwise occur. TIF creates funding for public projects that may otherwise be unaffordable to localities. Cities use TIF to finance **public infrastructure**, land acquisition, **demolition**, **utilities** and planning costs, and other improvements including **sewer** expansion and repair, **curb** and **sidewalk** work, storm drainage, **traffic control**, street construction and expansion, **street lighting**, water supply, **landscaping**, park improvements, environmental remediation, **bridge** construction and repair, and **parking structures**.

State enabling legislation gives local governments the authority to designate tax increment financing districts. The district usually lasts 20 years, or enough time to pay back the bonds issued to fund the improvements. While arrangements vary, it is common to have a city government assuming the administrative role, making decisions about how and where the tool is applied.

Another less specific financing method for infrastructure improvements are **municipal bonds** (or **muni**) **bond** issued by a city or other local government, or their agencies. Potential issuers of municipal bonds include cities, counties, redevelopment agencies, **school districts**, publicly owned airports and seaports, and any other governmental entity (or group of governments) below the state level. Municipal bonds may be general obligations of the issuer or secured by specified revenues. Interest income received by holders of municipal bonds is often **exempt** from the federal **income tax** and from the income tax of the state in which they are issued, although municipal bonds issued for certain purposes may not be tax exempt.

Municipal bonds are issued by states, cities, and counties, or their agencies (the **municipal issuer**) to raise funds. The methods and practices of issuing debt are governed by an extensive

system of laws and regulations, which vary by state. Bonds bear interest at either a fixed or variable rate of interest.

The issuer of a municipal bond receives a cash payment at the time of issuance in exchange for a promise to repay the investors who provide the cash payment (the **bond holder**) over time. Repayment periods can be as short as a few months (although this is rare) to 20, 30, or 40 years, or even longer.

The issuer typically uses proceeds from a bond sale to pay for capital projects or for other purposes it cannot or does not desire to pay for immediately with funds on hand. Tax regulations governing municipal bonds generally require all money raised by a bond sale to be spent on one-time capital projects within three to five years of issuance.^[1] Certain exceptions permit the issuance of bonds to fund other items, including ongoing operations and maintenance expenses, the purchase of single-family and multi-family mortgages, and the funding of student loans, among many other things.

Because of the special tax-exempt status of most municipal bonds, investors usually accept lower interest payments than on other types of borrowing (assuming comparable risk). This makes the issuance of bonds an attractive source of financing to many municipal entities, as the borrowing rate available in the open market is frequently lower than what is available through other borrowing channels.

Municipal bonds are one of several ways states, cities and counties can issue debt. Other mechanisms include **certificates of participation** and lease-buyback agreements. While these methods of borrowing differ in legal structure, they are similar to the municipal bonds described above.

One of the primary reasons municipal bonds are considered separately from other types of bonds is their special ability to provide tax-exempt income. Interest paid by the issuer to bond holders is often exempt from all federal taxes, as well as state or local taxes depending on the state in which the issuer is located, subject to certain restrictions. Bonds issued for certain purposes are subject to the alternative minimum tax.

The type of project or projects that are funded by a bond affects the taxability of income received on the bonds held by bond holders. Interest earnings on bonds that fund projects that are constructed for the public good are generally exempt from federal income tax, while interest earnings on bonds issued to fund projects partly or wholly benefiting only private parties, sometimes referred to as **private activity bonds**, may be subject to federal income tax.

The laws governing the taxability of municipal bond income are complex; however, bonds are typically certified by a law firm as either tax-exempt (federal and/or state income tax) or taxable before they are offered to the market. Purchasers of municipal bonds should be aware that not all municipal bonds are tax-exempt.

NC Rural Center Programs

<http://www.ncruralcenter.org/grants/water.htm>

Supplemental Grants Program. The Supplemental Grants Program enables local governments and qualified non-profit corporations to improve local water and sewer systems. Projects may address public health and environmental critical needs. The maximum grant amount for this program is now \$500,000.

Planning Grants Program. The Planning Grants Program provides funding for local governments to undertake planning efforts that support strategic investments in water and sewer facilities. Funds typically are used to prepare preliminary engineering reports, master water/sewer plans, capital improvement plans, water/sewer feasibility studies, rate studies and grant applications. The maximum grant amount for this program is generally \$40,000.

Local governments located in rural counties are eligible to apply for Supplemental and Planning funds. Priority is given to projects from economically distressed counties of the state as determined each year by the N.C. Department of Commerce and funding is based on dollars appropriated by the General Assembly. At present Union County is not considered an economically distressed County.

USDA Programs

<http://www.usda.gov>

Community Programs, a division of the Housing and Community Facilities Programs, is part of the United States Department of Agriculture's Rural Development mission area. Community Programs administers programs designed to develop essential community facilities for public use in rural areas. These facilities include schools, libraries, childcare, hospitals, medical clinics, assisted living facilities, fire and rescue stations, police stations, community centers, public buildings and transportation. Through its Community Programs, the Department of Agriculture is striving to ensure that such facilities are readily available to all rural communities. Community Programs utilizes three flexible financial tools to achieve this goal:

- The Community Facilities Guaranteed Loan Program,
- The Community Facilities Direct Loan Program, and
- The Community Facilities Grant Program.

Rural Development Service also has other programs to help finance water and sewer projects.

LOCAL FINANCE BULLETIN

Number 36, November 2007

2007 LEGISLATION EXPANDS SCOPE OF PROJECT DEVELOPMENT FINANCING IN NORTH CAROLINA

■ William C. Rivenbark, Shea Riggsbee Denning, and Kara A. Millonzi

Introduction

Local governments in North Carolina have another tool to use in their efforts to improve blighted, deteriorated, or economically depressed areas and to promote economic and community development. The tool, a financing instrument termed *project development financing* in the North Carolina Constitution, is more commonly known as *tax increment financing*.

A Local Finance Bulletin—Project Development Financing: Combating Blight and Promoting Economic Development through Tax Increment Funding (No. 35, October 2006)—addressed the legal requirements and policy considerations of project development financing in North Carolina.¹ Legislation passed in 2007, however, made several changes to the Project Development Financing Act of 2003, including adding permissible uses of project development bonds and eliminating the requirement that the base valuation be adjusted during revaluation years.²

This bulletin, which supersedes the previous one, explains the purposes of project development—or tax increment—financing, discusses various policy implications underlying its use, and describes how it became available to North Carolina local governments. It then outlines the statutorily prescribed steps for using project development financing, incorporating the 2007 amendments, and provides an example of how it might work in practice.

Purpose of Project Development Financing

Project development financing is a method of increasing the overall property value in a district that is currently blighted, depressed, or underdeveloped. Using the development financing designation, a county or city borrows money to fund public improvements in the area, with the goal of attracting private investment. The debt incurred by funding the improvements is repaid (and secured) by tax increment revenue—the additional property taxes resulting from the district's new development.³

In enacting North Carolina's Project Development Financing Act in 2003, the General Assembly cited the need for local governments to be "actively engaged in economic development efforts to attract and stimulate private sector job creation and capital investors." The act notes that local governments in other states have succeeded in creating jobs and investment through incentive packages that included infrastructure improvements financed through project development bonds.⁴

Local officials pursuing project development financing most commonly cite the need to remedy blight and spur economic and community development.⁵ Investment in a blighted area generally is justified on the assumption that an external intervention is needed to reverse a downward spiral of deterioration, attract private firms, and create jobs.⁶ While local officials' specific policy reasons and the individual philosophies underpinning project development financing may vary, the overall goal—an increase in the assessed value of property in the development financing district—remains the same.

Studies on Tax Increment Financing

Much of the literature on tax increment financing either advocates for it as a productive means for addressing blighted areas or argues that it simply represents an incentive program for developers.⁷ Fortunately, several empirical studies provide a more balanced perspective on tax increment financing. These studies are especially useful for framing the following policy decision: Is tax increment financing (project development financing) appropriate for my jurisdiction?

One study explored the conditions and factors that motivated municipalities to use tax increment financing as a debt financing tool.⁸ It found that tax increment financing was more likely to be used in municipalities with high tax burdens and large nonresidential tax bases. It also found stagnant growth in property values a determining motive for using this form of financing. Because of this problematic history of growth, some local governments have had to pledge additional revenue sources to guarantee repayment of tax increment bonds. Such pledges are allowed under North Carolina's project development financing statutes.⁹

North Carolina's project development financing statutes also address the issue of sluggish property values by permitting local governments and individual owners of real property in the development financing district to enter into agreements establishing minimum assessed values for properties.¹⁰ The county tax assessor will assess property at the agreed-upon value if it is higher than the market value of the property. If,

however, the property has a market value higher than the minimum agreed-upon value, the higher value will be used for assessment purposes.¹¹ The existence of these agreements helps ensure that there will be a minimum tax increment for the development financing district.

In designing a development financing district, local government officials should attempt to minimize the number of properties in the district that are exempted or excluded from property taxation. Research has shown that the presence of tax-exempt properties in tax increment financing districts suppresses the overall property valuation, which could ultimately affect the local government's ability to repay tax increment bonds.¹²

A common concern regarding tax increment financing is the possibility that pledging all tax revenues from the district's incremental value will hinder a taxing unit's ability to pay for services needed during the bond repayment period. After all, the base value of property in a development financing district in North Carolina is determined by the taxable property located in the district as of the January 1 preceding its creation for a period of thirty years or the time it takes to repay the bonds.¹³ The base value will not increase in revaluation years, nor will it include the value of improvements to the property made after the district is created. During the repayment period, all tax revenues resulting from the incremental property value in the district must first fund repayment of bonds and satisfy other project development financing requirements before being remitted to a county's or city's general fund.¹⁴

One study examining this issue, using baseline projections, found no evidence that tax increment financing would result in future financial constraints on service delivery.¹⁵ Given that a North Carolina county or city may place only a limited portion of its property—no more than 5 percent of the total land area—into development financing districts, it seems likely that these findings would hold true for project development financing in North Carolina. That is, the inability to fund services from taxation of the incremental value on 5 percent or less of a taxing unit's property will not significantly hinder its ability to provide unit-wide services. However, while such a district probably will not place a drain on a local government's public service funds, it is unlikely, according to another study, to create an overall, long-term financial boom for the county or city.¹⁶ Again, given the limited percentage of property that may be placed in development financing districts and the numerous policy decisions that affect a local government's financial condition, it is reasonable to expect a similar outcome in North Carolina.

So what can we conclude about the viability of tax increment financing from these empirical studies? One conclusion is that this form of debt financing provides local governments in North Carolina with a useful tool for addressing blight and promoting economic development. Another is that tax increment financing does not represent a panacea for improving the overall financial condition of a community. In a study showing that tax increment financing had a positive impact on local employment, the author still noted that governments need to consider all benefit and cost factors before adopting this kind of debt financing.¹⁷

Constitutional Amendment in North Carolina

The North Carolina Constitution generally bars local governments from issuing debt instruments secured by a pledge of their taxing power unless they are approved by referendum.¹⁸ Because project development financing bonds are repaid from taxes levied on the incremental value of property in development financing districts, the pledge of these taxes without voter approval arguably could have been interpreted to run afoul of that constitutional provision. Therefore, a constitutional amendment, as well as authorizing legislation from the General Assembly, practically were necessary to create project development financing in North Carolina; without the amendment no local government was willing to issue debt secured by a pledge that, upon challenge, might have been ruled unconstitutional.

State voters approved such an amendment on November 11, 2004. Section 14 of Article V of the North Carolina Constitution now expressly permits local governments to issue debt instruments secured by proceeds from a tax increment and by revenues available to the taxing unit from sources other than its taxing power. Section 14 also expressly authorizes the issuance of this debt without voter approval so long as only tax increment revenues and revenues from sources other than the issuing unit's taxing power are pledged for repayment.

Section 14 remedied another constitutional problem with project development financing that related to the constitutional rules governing the taxation of property. Article V, Section 2 of the North Carolina Constitution permits the General Assembly to classify property for taxation if the classifications apply on a statewide basis and each class of property is taxed according to a uniform rule. The uniform rule of appraisal and assessment applicable to most property, by virtue of state statute, requires that property be appraised and assessed for taxation at its true or market value.¹⁹ The constitutional amendment passed in 2004,

and embodied in Section 14 of Article V, permits the General Assembly to enact laws allowing a taxing unit to make agreements with property owners to assess property at a minimum value and provides that the agreed-upon minimum value is binding on the current and any future owners during the lifetime of the project development district. Without the constitutional amendment, the nonuniform assessment of property at a minimum value agreed upon by the property owner and the local government—as provided for in the Project Development Financing Act—would have been unconstitutional.

The Project Development Financing Act

The General Assembly enacted the Project Development Financing Act in 2003, although the act, codified as Article 6 of Chapter 159 of the General Statutes, did not become effective until voters approved the constitutional amendment adding Section 14 to Article V of the state constitution in 2004. The act permits counties and municipal corporations (hereinafter referred to as *cities*) to issue project development financing bonds and to use the proceeds for many, but not all, the purposes for which *either* taxing unit may issue general obligation bonds.²⁰ For example, it authorizes both counties and cities to issue project development financing debt to fund the capital costs of providing streets and sidewalks even though, pursuant to G.S. 159-48(d)(5), only cities may issue general obligation debt to fund these projects. It also authorizes local governments to use the proceeds for any service or facility that is authorized to be provided in a municipal service district, although no district actually need be created. Table 1 sets forth all the purposes for which project development financing proceeds may be used.²¹

It should be noted that the act defines *capital costs* to include interest on project development financing bonds, and on notes issued in anticipation of the bonds, for a period not exceeding seven years after the estimated date for completing construction projects.²² The provision establishing this deadline for capitalizing interest on project development bonds recognizes the reality that time is required to create a sufficient incremental assessed value for amortizing principal and interest. Capital costs for which bond proceeds may be expended also may include the establishment of debt service reserve funds, which often are required by bond covenants.²³ Bond proceeds may be used outside the development financing district if their use directly benefits private development inside the district.²⁴ They might be used, for example, to provide water and sewer utilities to a private development in the district.

Table 1. Permissible Uses of Project Development Bonds for both Counties and Cities

Purpose	Statutory Authority: G.S. 159-103(a)
Capital costs of providing airport facilities	G.S. 159-48(b)(1)
Capital costs of providing auditoriums, coliseums, arenas, stadiums, civic centers, convention centers, and facilities for exhibitions, athletic and cultural events, shows, and public gatherings	G.S. 159-48(b)(3)
Capital costs of providing hospital facilities, facilities for the provision of public health services, and facilities for care of the mentally retarded	G.S. 159-48(b)(7)
Capital costs of art galleries, museums, art centers, and historic properties	G.S. 159-48(b)(11)
Capital costs of on- and off-street parking and parking facilities, including meters, buildings, garages, driveways, and approaches open to public use	G.S. 159-48(b)(12)
Capital costs of providing certain parks and recreation facilities, ²⁵ including land, athletic fields, parks, playgrounds, recreation centers, shelters, permanent and temporary stands, and lighting	G.S. 159-48(b)(13)
Capital costs of redevelopment through acquisition and improvement of land for assisting local redevelopment commissions	G.S. 159-48(b)(16)
Capital costs of sanitary sewer systems	G.S. 159-48(b)(17)
Capital costs of storm sewers and flood control facilities	G.S. 159-48(b)(19)
Capital costs of water systems, including facilities for supply, storage, treatment, and distribution of water	G.S. 159-48(b)(21)
Capital costs of public transportation facilities, including equipment, buses, railways, ferries, and garages	G.S. 159-48(b)(23)
Capital costs of industrial parks, including land and shell buildings, in order to provide employment opportunities for citizens of a county or city	G.S. 159-48(b)(24)
Capital costs of property to preserve a railroad corridor	G.S. 159-48(b)(25)
Capital costs of providing community colleges facilities	G.S. 159-48(c)(1)
Capital costs of providing school facilities	G.S. 159-48(c)(4)
Capital costs of improvements to subdivision and residential streets	G.S. 159-48(c)(4a)
To finance housing projects for persons of low or moderate income	G.S. 159-48(c)(6)
Capital costs of electric systems	G.S. 159-48(d)(3)
Capital costs of gas systems	G.S. 159-48(d)(4)
Capital costs of streets and sidewalks	G.S. 159-48(d)(5)
Capital costs of improving existing systems or facilities for transmission or distribution of telephone services	G.S. 159-48(d)(6)
Capital costs of housing projects for low- or moderate-income persons	G.S. 159-48(d)(7)
To provide or maintain beach erosion control and flood and hurricane protection, downtown revitalization projects, urban area revitalization projects, drainage projects, sewage collection and disposal systems, off-street parking facilities, and watershed improvement projects	G.S. 160A-536

Unlike those from general obligation bonds, proceeds from project development financing may *not* be used for the following purposes:

- fire stations
- police stations and jails
- libraries
- golf courses, swimming pools, and marinas
- general public buildings, including city halls, courthouses, and office buildings
- public vehicles
- landfills and transfer stations.²⁶

Establishing a Development Financing District

At the outset of a project development financing project, a county or city must establish a development financing district.²⁷ A county district must consist of property that is (1) blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth; (2) appropriate for rehabilitation or conservation activities; or (3) appropriate for economic development.²⁸

A city district must consist of property that meets at least one of the conditions set forth for a county district in G.S. 158-7.3(c) or that meets the criteria of an urban redevelopment area as defined by G.S. 160A-503. A city's planning commission may designate the following types of property as a redevelopment area:

1. property that is blighted because of dilapidated, deteriorated, aged, or obsolete buildings; inadequate ventilation, light, air, sanitation, or open spaces; high density of population or overcrowding; or unsanitary or unsafe conditions;
2. a nonresidential redevelopment area with dilapidated, deteriorated, aged, or obsolete buildings; inadequate ventilation, light, air, sanitation, or open spaces; defective or inadequate street layout or faulty lot layout; tax or special assessment delinquency exceeding the value of the property; or unsanitary or unsafe conditions,
3. a rehabilitation, conservation, and reconditioning area in present danger of becoming a blighted or nonresidential redevelopment area; or
4. any combination of the above types of areas.

Additional limitations apply to a plan for a development financing district established pursuant to G.S. 158-7.3 and located outside a city's central business district. The development financing plan for such a district may provide for no more than 20 percent

of the plan's estimated square footage of private development floor space to be used for retail sales, hotels, banking and financial services offered directly to consumers, and other commercial uses other than office space.²⁹ The 20-percent limitation does not apply to a development financing district located in a development tier one area that is created primarily for tourism-related economic development.³⁰ An example of tourism-related economic development is a development featuring an auto racing complex, a music theater, or a park and recreation facility.

The total land area within county or city development financing districts may not exceed 5 percent of the total land area in the taxing unit.³¹ Though not explicitly defined by the act, the term *unit* apparently refers to the county or city establishing the district and pledging its incremental tax revenues in support thereof.³² Counties are specifically prohibited from including in a development financing district land located within a city at the time the district is created, although a county or city may jointly agree to create such a district.³³ In the absence of such an agreement, any land included in a development financing district established by a city that issues debt instruments to be repaid from the incremental valuation does not count against the 5 percent of unincorporated land in that county that may be included in a development financing district.

Conversely, land in a county district that subsequently is annexed by a city does not count against the city's 5-percent limit unless the county and city have entered into an *increment agreement*; in such an agreement the city agrees that city taxes collected on part or all of the incremental valuation in the district will be paid into the reserve increment fund for the district.³⁴ In the absence of such an agreement, the annexed land in the district continues to count against the county's 5-percent limit and the proceeds of taxes levied by the city against the annexed land are retained by the city. The city's retention of these funds does not adversely affect the project development financing bonds issued by the county because the city's tax levy on the annexed property was not pledged as part of the original bond issue.

Counties and cities, as previously noted, may act jointly to create a development financing district.³⁵ Because the term *unit* is not defined, there may be some question about how the 5-percent limit applies to a joint district. The most consistent interpretation of the act's provisions leads to the conclusion that when counties and cities jointly act to develop a development financing district, with each unit pledging its incremental tax revenue in support thereof, then the area included within the district counts against the 5-percent limitation for both the county and the city.

Table 2. Basic Requirements of a Development Financing Plan

- 1) A description of the boundaries of the development financing district
- 2) A description of the proposed development, both public and private
- 3) The costs of the proposed public activities
- 4) The sources and amounts of funds to pay for the proposed public activities (depending on the scope of the project, may include funds in addition to the debt proceeds from project development bonds)
- 5) The base valuation of the development financing district
- 6) The projected increase in the assessed valuation of property in the district
- 7) The estimated duration of the development financing district (the earlier of thirty years from the effective date of the district or when the bonds are repaid)
- 8) A description of how the proposed public and private development of the district will benefit district residents and business owners in terms of jobs, affordable housing, or services
- 9) A description of appropriate ameliorative activities if the proposed projects negatively impact district residents or business owners in terms of jobs, affordable housing, services, or displacement
- 10) A statement that the initial users of any new manufacturing facilities included in the plan will be required to pay an average wage that is above the average manufacturing wage paid in the county or is not less than 10 percent above the average weekly manufacturing wage statewide, unless an exemption to such requirements is approved by the secretary of commerce as required by G.S. 158-7.3(d), (e) and 160A-515.1(c), (d)

Adopting a Development Financing Plan

The most laborious component of a project development financing venture is establishment of a development financing plan. Table 2 contains the basic requirements that counties and cities must satisfy in establishing a development financing plan.³⁶ They also must submit any plan that involves the construction and operation of a new manufacturing facility to the secretary of the Department Environment and Natural Resources (DENR). The secretary's review will determine whether the facility will have a materially adverse effect on the environment and whether the company that will operate the facility has previously complied with federal and state environmental laws and regulations.³⁷

Notice and hearing requirements. Before a city adopts a plan for a development financing district, it must send notice of the plan by first-class mail to the county or counties in which the district is located.³⁸ Unless a board of county commissioners disapproves the plan by resolution within the twenty-eight days following the date the notice is mailed, the city's governing body may proceed to adopt the plan,³⁹ but must hold a public hearing before doing so.⁴⁰ If the county board disapproves the plan, the city may not

adopt the plan approving the district. No more than thirty days and no less than fourteen days before the public hearing, the governing body of the county or city must publish a notice of the hearing in a newspaper of general circulation in the taxing unit; it also must mail a notice of the hearing, by first-class mail, to all property owners and mailing addresses in the proposed development financing district and to the governing body of any special district within which the development financing district is located. The notice must state the time and place of the hearing, specify its purpose, and state that a copy of the proposed plan is available for public inspection in the office of the county or the city clerk. At the public hearing, the governing body of the taxing unit seeking to adopt the plan must hear from anyone who wishes to speak about the proposed district and plan.

After the public hearing, the governing body may adopt the plan, with or without amendment, unless a board of county commissioners disapproves the plan pursuant to G.S. 158-7.3(f) or G.S. 160A-515.1(e) or the secretary of the DENR disapproves the plan pursuant to G.S. 158-7.3(g) or G.S. 160A-515.1(f). The plan and district *do not*, however, become effective until the Local Government Commission

(LGC) approves the issuance of project development financing bonds for the district.⁴¹

Approval by the Local Government Commission.

A county or city may not issue project development financing bonds without the approval of the LGC.⁴² A county or city may file its application to issue the bonds with the secretary of the LGC before it adopts a development financing plan. The application must include all statements of fact and documents required by the secretary concerning the proposed bonds, the development financing district, the development financing plan, and the financial condition of the taxing unit. At the time of application, the governing body must publish notice of the application in a newspaper of general circulation in the county or city.

Before accepting the application, the secretary of the LGC may require representatives of the governing body seeking to issue the debt instruments to attend a preliminary conference. After the application has been filed and after any preliminary conference, the secretary must notify the taxing unit in writing that its application has been filed and accepted for submission.⁴³ While the LGC may accept the application for issuance of development financing bonds before the development financing plan has been adopted, it may not approve their issuance until the governing body has adopted the development financing plan.⁴⁴

The LGC may consider any matters it deems relevant to whether the bond issuance should be approved, including:

1. whether the projects to be financed from the bonds are necessary to secure significant new project development for the district;
2. whether the proposed projects are feasible (taking into account additional security such as credit enhancement, insurance, or guarantees, as discussed below);⁴⁵
3. the county's or city's debt management procedures and policies;
4. whether the county or city is in default in any debt service obligation;
5. whether the private development forecast in the development financing plan is likely to occur without the public project or projects to be financed by the bonds;
6. whether taxes on the incremental valuation accruing to the development financing district, together with any other revenues available under G.S. 159-110, will be sufficient to service the proposed project development financing debt instruments;
7. whether the LGC can market the proposed project development financing debt instruments at reasonable rates of interest.⁴⁶

The effective date of the development financing district is the date the LGC enters its order approving issuance of the development financing bonds, unless the debt is for a development financing district already in place.⁴⁷ As a development financing district is terminated at the earlier of thirty years or the date the bonds are fully satisfied, approval of bonds for a district already in place does not extend the life of the district beyond thirty years.

Defining and Collecting Tax Increment Revenue

Immediately following LGC approval of project development financing bonds, the county or city must notify the county tax assessor of the existence of the district.⁴⁸ The tax assessor then determines the base valuation of the district: the assessed value of all taxable property located in the district on the January 1 immediately preceding the effective date of the district⁴⁹ plus the value of property acquired by the county or city or its agent within one year before the effective date of the district.⁵⁰ If, however, the county or city can demonstrate that it acquired the property primarily for a purpose *other* than to reduce the base valuation of the district, the value of that property will not be included in the base valuation.⁵¹

After determining the base valuation of the district, the tax assessor must certify the valuation to the taxing unit that created the district, the county in which the district is located if the district was created by a city, and any special district within which the development financing district is located.⁵² This base valuation is the frozen assessed value for the life of the district and is used to generate the incremental tax revenues that will repay the project development financing bonds.

The base valuation of a district may be adjusted if property is added to or removed from a development financing district pursuant to an amendment of the taxing unit's development financing plan.⁵³ A county assessor must immediately certify any amendments to the base valuation of a district to the same entities notified of the initial base valuation.⁵⁴

After establishing a development financing district approved by the LGC, a county or city must establish a revenue increment fund (*special revenue fund*) to account for the proceeds paid to the county or city from taxes levied on the incremental assessed value in the district, including taxes levied based on property owners' agreements to a minimum assessed property value.⁵⁵ A *capital projects fund* is used to account for the tax increment bond proceeds and their expenditure for capital improvements.

Each year the county tax assessor determines the current assessed value of property in the project development district.⁵⁶ Real property within the district continues to be valued pursuant to the countywide revaluation schedule, which must provide for the revaluation of real property at least every eight years.⁵⁷ Personal property within the district (other than registered motor vehicles), like all personal property in the county, is valued as of January 1 of each year.⁵⁸ Improvements to real property are added to the tax base on the first January 1 of their existence and are assessed according to the value that would have applied on January 1 of the last revaluation year.⁵⁹ Thus, increases in the current assessed value in nonrevaluation years result solely from improvements to property rather than appreciation in market value. Market value appreciation increases the current assessed value only in revaluation years. The incremental value of the development financing district is the current assessed value in a given year minus the base assessed value of the district. In any year in which there is an incremental assessed value, the following steps are taken to distribute the tax proceeds resulting from the application of the county's or city's tax rate to the project development district:

1. The net proceeds are calculated, which represent the gross proceeds less refunds, releases, and any collection fees.
2. The net proceeds from the following taxes are paid to the taxing unit that levied the tax: (a) taxes levied specifically to repay general obligation debt, (b) nonschool taxes levied pursuant to a vote of the people; (c) taxes levied for a municipal or county service district; and (d) taxes levied by a taxing unit in a development financing district established by a different tax unit for which no increment agreement exists.
3. The remaining taxes are multiplied by a fraction in which the base valuation is the numerator and the current assessed valuation is the denominator. The product of this multiplication is retained by the city, county, or special district⁶⁰ as if the development financing district did not exist.
4. The remaining proceeds are turned over to the finance officer for the taxing unit that established the district and issued the financing instruments; this official deposits these amounts in the revenue increment fund.⁶¹

In practical terms, tax increment revenue is established by applying the county's or city's tax rate to the incremental assessed value of the district. If the development financing district includes property conveyed or leased by the taxing unit to a private party

in consideration for the increased tax revenue expected to be generated by improvements constructed on the property pursuant to G.S. 158-7.1, then an amount equal to the consideration, less the increased tax revenue realized since the construction of the improvement, must be transferred from the revenue increment fund to the county, city, or special district that made the conveyance as if the development financing district did not exist.⁶²

Money that remains in the revenue increment fund after any such transfers may be used to (1) finance capital expenditures by the issuing unit; (2) meet principal and interest payments and establish and maintain debt service reserves for project development financing debt instruments and debt instrument anticipation notes issued for the district; (3) repay the appropriate fund of the issuing city or county for moneys expended on debt service for project development financing debt instruments; and (4) meet other requirements imposed by the order authorizing the project development financing debt instruments. If excess funds remain in the revenue increment fund after all voluntary and involuntary purposes have been satisfied, they must be paid to the general fund of the local government(s) or special districts that created the district or entered into an increment agreement, in proportion to their rates of ad valorem tax on taxable property located in the development financing district.⁶³

It should be noted that, in addition to the tax increment revenue, a county or city may pledge or grant a security interest in any of its available sources of revenue, including special assessments against property within the development financing district, as long as doing so does not constitute a pledge of the unit's taxing power.⁶⁴ Because local option sales tax revenue results from the taxing power of counties, cities, but not counties, may pledge sales tax revenues as security for repayment of project development financing bonds.⁶⁵ A county or city also may enter into covenants to take action to generate pledged revenues, again as long as those agreements do not constitute a pledge of the taxing power.⁶⁶ A county or city may pledge, mortgage, or grant a security interest in the real and personal property financed or improved with the proceeds of the project development financing bonds. Property subject to such a mortgage, deed of trust, security interest, or similar lien may be sold at foreclosure in any manner permitted by the instrument creating the encumbrance.⁶⁷ As a practical matter, it is unlikely that project increment financing bonds will be issued absent a pledge of an additional security interest.

An Example of Project Development Financing

Project development financing can be extremely complicated when compared to other financing alternatives, which is why local governments commonly use a negotiated sale rather than a competitive sale when issuing project development bonds. The example presented in this section is not intended to cover all the details and nuances of project development financing. Its purpose is to show (1) how the amortization of project development bonds is structured according to the projected growth rate of tax increment revenue and (2) how the incremental valuation from a development financing district increases over time.

The city of Bluesky, North Carolina, which is located just outside a major metropolitan area, is negotiating with several developers for projects designed to help revitalize its downtown. One developer is interested in building a hotel and conference facility that will complement Bluesky's close proximity to the interstate and the regional airport that serves the metropolitan area. Another developer is interested in a mixed-use (commercial) project that combines upscale retail space with urban-style apartment homes. The developer pursuing the hotel and conference facility has secured an option to purchase property in downtown Bluesky that currently contains vacant, dilapidated commercial space, which would be demolished to build the new facility.

The developer of the proposed mixed-use project has asked the city to help negotiate the purchase of land adjacent to the site of the proposed hotel and conference facility. The owner of the land does not want to subdivide the parcel, but subdividing the parcel would make it more attractive to the mixed-use project developer. Another issue that complicates both projects is the lack of parking in the downtown area. The hotel developer is willing to build parking spaces to accommodate only hotel guests, but parking would still be problematic for those using the conference center.

One possible solution is for the city of Bluesky to create a development financing district, which would include the parcels of land for the hotel and conference facility and the mixed-use facility. The city could appropriate fund balance to purchase—jointly with the mixed-use developer—the land adjacent to the hotel and conference facility site, which could then be subdivided between the city and the developer. The city could issue project development bonds to build a parking deck on its portion of the property to serve the mixed-use property, the overflow needs of the hotel, and the general public. To ensure that the project development bonds are being used for a public

purpose, the city would refrain from guaranteeing spaces to the hotel for its overnight guests.

Assume that after conducting a parking feasibility study to analyze demand based on various rate structures, Bluesky decides to pursue creation of a development financing district. The city completes a development financing plan, which includes the cost of building the parking deck and making necessary street improvements, the sources and amounts of funds to pay for that construction, the base valuation of the development financing district, and the projected incremental valuation that would result from the private investment in the development financing district.

Table 3 contains the amortization schedule for the project development bonds that would finance the proposed parking deck. Bluesky's plan is to issue \$12 million in project development bonds at an interest rate of 5.5 percent, with \$10.9 million being used for capital projects (parking deck and minor street improvements) and borrowing costs. The remaining \$1.1 million will be used to pay for interest on the bonds during the construction phase of the project.⁶⁸ The amortization schedule of the project development bonds is based on twenty years.

The base valuation of the property, as shown in Table 3, is approximately \$390 million, which remains frozen for the life of the district. Table 3 shows the projected annual growth rate of the development financing district, the total valuation of the district, the incremental valuation created from annual growth, and the projected property tax revenue based on a city tax rate of 43 cents per \$100.

Table 3 also shows general fund revenue during the life of the bonds and the annual tax increment revenue that will be used to amortize the bonds. General fund revenue is calculated by multiplying the fraction of base valuation divided by total valuation against the property tax revenue, as required by G.S. 159-107(d)(2). Annual tax increment revenue represents the difference between property tax revenue and general fund revenue. In practical terms, it approximates the city's tax rate of 43 cents applied to the incremental valuation.

A key element of the amortization schedule is how annual debt service has been structured to accommodate the growth of tax increment revenue. Because tax increment revenue is not sufficient in this case to immediately make annual principal and interest payments, interest-only payments are scheduled for Years 1 through 5. This strategy, along with the \$1.1 million of capitalized interest, will ensure that the annual debt payments are satisfied until project construction is completed and tax increment revenue is sufficient to meet annual debt payments.

Table 3. Amortization Schedule

Capital Projects and Borrowing Costs	\$10,900,000
Capitalized Interest	\$1,100,000
Total Project Development Bonds	\$12,000,000
Interest Rate	5.50%

Year (1)	Base Valuation (2)	Projected Annual Growth Rate (3)	Total Valuation	Incremental Valuation	Property Tax Revenue (4)	General Fund Revenue (5)	Annual Tax Increment Revenue (6)	Annual Principal	Annual Interest	Annual Debt Service Requirement	Outstanding Principal	Tax Increment Revenue Used for Debt Service (7)	Balance in Revenue Increment Fund (8)
1	390,482,000	10.00%	429,530,200	39,048,200	1,846,980	1,679,073	167,907	0	660,000	660,000	12,000,000	0	167,907
2	390,482,000	10.00%	472,483,220	82,001,220	2,031,678	1,679,073	352,605	0	660,000	660,000	12,000,000	220,000	300,512
3	390,482,000	10.00%	519,731,542	129,249,542	2,234,846	1,679,073	555,773	0	660,000	660,000	12,000,000	555,773	196,285
4	390,482,000	8.00%	561,310,065	170,828,065	2,413,633	1,679,073	734,561	0	660,000	660,000	12,000,000	660,000	270,846
5	390,482,000	4.00%	583,762,468	193,280,468	2,510,179	1,679,073	831,106	0	660,000	660,000	12,000,000	660,000	441,952
6	390,482,000	4.00%	607,112,967	216,630,967	2,610,586	1,679,073	931,513	480,000	660,000	1,140,000	11,520,000	931,513	233,465
7	390,482,000	4.00%	631,397,485	240,915,485	2,715,009	1,679,073	1,035,937	480,000	633,600	1,113,600	11,040,000	1,035,931	155,801
8*	390,482,000	12.00%	707,165,184	316,683,184	3,040,810	1,679,073	1,361,738	480,000	607,200	1,087,200	10,560,000	1,087,200	430,339
9	390,482,000	2.00%	721,308,487	330,826,487	3,101,626	1,679,073	1,422,554	480,000	580,800	1,060,800	10,080,000	1,060,800	792,093
10	390,482,000	2.00%	735,734,657	345,252,657	3,163,659	1,679,073	1,484,586	480,000	554,400	1,034,400	9,600,000	1,034,400	1,242,279
11	390,482,000	2.00%	750,449,350	359,967,350	3,226,932	1,679,073	1,547,860	960,000	528,000	1,488,000	8,640,000	1,488,000	1,302,139
12	390,482,000	2.00%	765,458,337	374,976,337	3,291,471	1,679,073	1,612,398	960,000	475,200	1,435,200	7,680,000	1,435,200	1,479,337
13	390,482,000	2.00%	780,767,504	390,285,504	3,357,300	1,679,073	1,678,228	960,000	422,400	1,382,400	6,720,000	1,382,400	1,775,165
14	390,482,000	2.00%	796,382,854	405,900,854	3,424,446	1,679,073	1,745,374	960,000	369,600	1,329,600	5,760,000	1,329,600	2,190,939
15	390,482,000	2.00%	812,310,511	421,828,511	3,492,935	1,679,073	1,813,863	960,000	316,800	1,276,800	4,800,000	1,276,800	2,728,001
16*	390,482,000	12.00%	909,787,772	519,305,772	3,912,087	1,679,073	2,233,015	960,000	264,000	1,224,000	3,840,000	1,224,000	3,737,016
17	390,482,000	1.00%	918,885,650	528,403,650	3,951,208	1,679,073	2,272,136	960,000	211,200	1,171,200	2,880,000	1,171,200	4,837,952
18	390,482,000	1.00%	928,074,507	537,592,507	3,990,720	1,679,073	2,311,648	960,000	158,400	1,118,400	1,920,000	1,118,400	6,031,200
19	390,482,000	1.00%	937,355,252	546,873,252	4,030,628	1,679,073	2,351,555	960,000	105,600	1,065,600	960,000	1,065,600	7,317,155
20	390,482,000	1.00%	946,728,804	556,246,804	4,070,934	1,679,073	2,391,861	960,000	52,800	1,012,800	0	1,012,800	8,696,216

- (1) Revaluation is based on an eight-year cycle as noted by the asterisks.
- (2) The base valuation remains frozen for the life of the development financing district.
- (3) The total valuation is adjusted by a growth rate of 12 percent in years 8 and 16, resulting from 10 percent appreciation of countywide revaluation and 2 percent additions within the district.
- (4) Property tax revenue produced from total valuation is based on a tax rate of 43 cents per \$100 taxable value.
- (5) General fund revenue is the product of multiplying the fraction of base valuation divided by total valuation against property tax revenue.
- (6) Annual tax increment revenue represents the net proceeds of property tax revenue minus general fund revenue.
- (7) The capitalized interest of \$1,100,000 is used to pay the first year's annual debt service payment (interest only) of \$660,000. The balance of \$440,000 at the end of year one is applied against the second year's annual debt service payment (interest only) of \$660,000.
- (8) Any money remaining in the revenue increment fund after all purposes have been satisfied is returned to the general fund on an annual basis as required by G.S. 159-107(f).

Even with this repayment structure, the projected amount in the revenue increment fund falls to approximately \$150,000 in Year 7, as shown in Table 3. Therefore, Bluesky may have to pledge some other source of revenue as additional security for the project development bonds. The city may elect to pledge parking revenues or its share of sales tax proceeds as additional security. Another variable impacting Bluesky's ability to service the debt in the early years is the timing of when the district is created, delaying the impact of revaluation on the tax increment until Year 8.

Figure 1 shows how the projected incremental valuation increases over the twenty-year period, which represents the lifetime of the bonds. The incremental valuation in the development financing district is projected to increase by approximately \$200 million in the first six years of its existence due to the new development projects. The importance of viable development projects cannot be overstated, given the growth rates required to create a substantial incremental valuation in the early years of development financing districts. The city may ensure a minimum level of incremental valuation by entering into agreements with developers, setting a minimum assessed value for proposed improvements in the district.

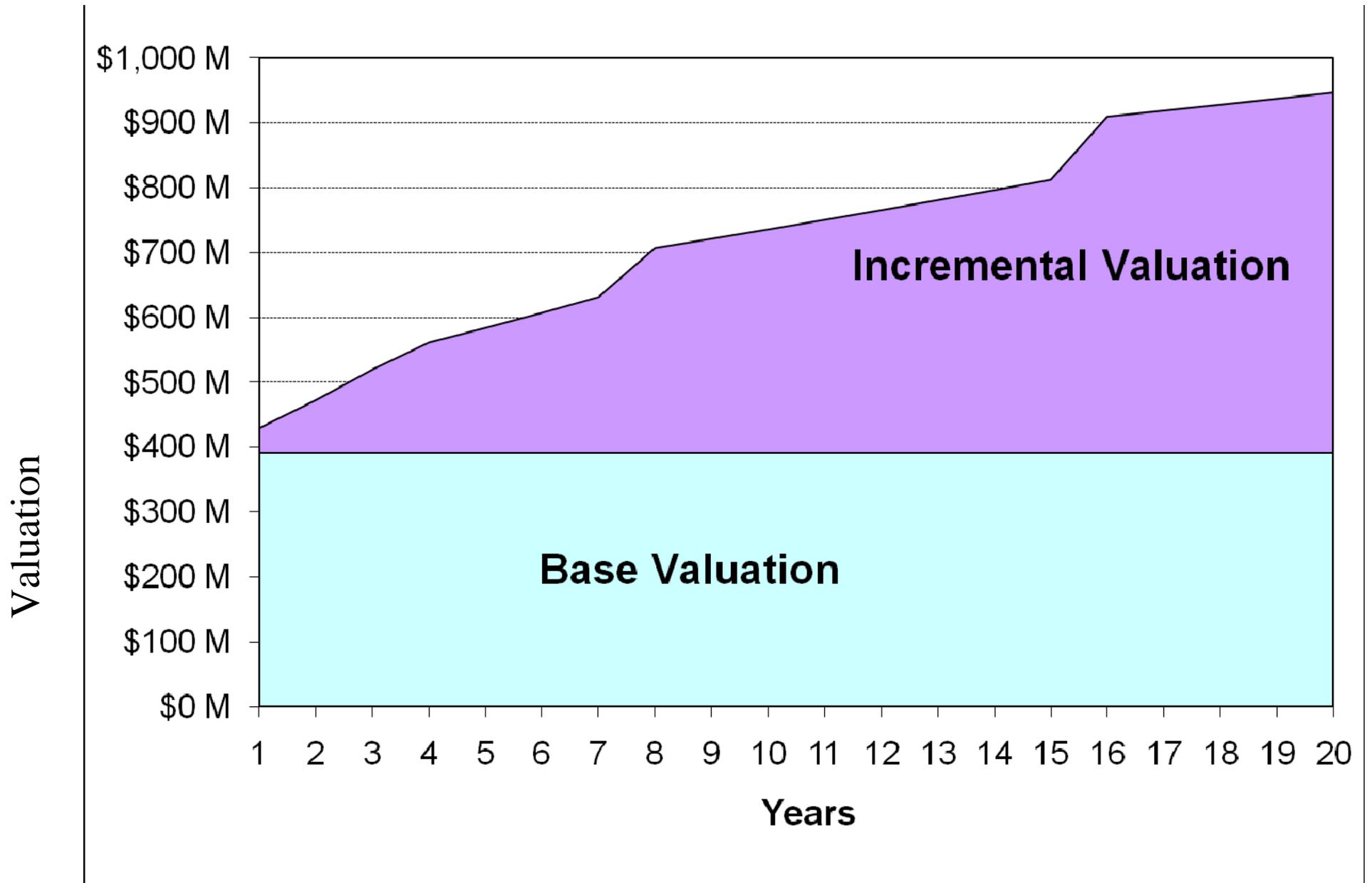
Figure 1 shows that the valuation is projected to increase by another \$300 million over the next fourteen years. Slower growth is estimated after the first few years of the development financing district's existence because of the difficulty of predicting future development. If the development financing district ends after the bonds are satisfied in Year 20, Figure 1 also shows how project development financing would have achieved positive economic growth in Bluesky's downtown area by increasing the district's total valuation from approximately \$400 million to over \$900 million.

Conclusion

Project development financing provides counties and cities in North Carolina with a new method of financing joint public and private ventures designed to combat blight and promote economic and community development. While the funding of such projects through project development financing may not be feasible for all urban renewal and economic development projects and is unlikely by itself to eradicate blight or generate long-term financial prosperity for a specific area, this financial tool may be utilized to spark, and subsequently complement, other revitalization and development efforts. Careful planning and in-depth financial analysis are prerequisites to the success of a project development financing endeavor.

County or city officials proposing to create a development financing district must ensure that the issuance of debt for public infrastructure is necessary to achieve their renewal goals and recognize that the desired private investment will not occur without public resources. Before establishing such a district, a local government also will need to consider what, if any, revenues in addition to the tax increment must be pledged to guarantee the bonds. The Project Development Financing Act provides counties and cities with a fair amount of flexibility in determining the projects in which to invest public funds as well as the manner in which to structure and guarantee repayment of project development financing debt. It remains to be seen whether, and how, these debt instruments will contribute to the rebuilding and growth of North Carolina communities.

Figure 1. Increase in Valuation



Notes

1. See William C. Rivenbark and Shea Riggsbee Denning, "Project Development Financing: Combating Blight and Promoting Economic Development through Tax Increment Funding," *Local Finance Bulletin* No. 35 (October 2006).
2. See S.L. 2007-395.
3. A. Fleming Bell II and David M. Lawrence, "Local Government and Local Finance," in *North Carolina Legislation 2003*, ed. William A. Campbell (Chapel Hill, NC: School of Government, University of North Carolina at Chapel Hill, 2003), 123.
4. S.L. 2003-403.
5. For a general discussion on tax increment financing, see David Hitchcock, "CreaTIFity Helps Cities Find Development Dollars," *American City and County* 110 (May 1, 1995): 40-46.
6. John P. Blair, *Urban and Regional Economics* (Boston: Irwin, 1991).
7. Deborah A. Carroll, "Assessing the Impact of Tax-Exempt Properties in TIF," *Journal of State Taxation* 22, no. 2 (2003): 62-75.
8. Josephine M. LaPlante, "Who Uses Tax Increment Financing? Local Government Adoption Catalysts," *Municipal Finance Journal* 22 (Spring 2001): 78-97.
9. N.C. GEN STAT. § 159-111 (hereinafter G.S.).
10. G.S. 159-108.
11. G.S. 159-108(c).
12. Deborah A. Carroll, "Assessing the Impact of Tax-Exempt Properties in TIF," *Journal of State Taxation* 22, no. 2 (2003): 62-75.
13. G.S. 159-107(a), (g).
14. G.S. 159-107(f).
15. Ann M. Cox, Morgan M. Mundell, and Thomas G. Johnson, "A Dynamic Simulation of TIF Impacts on Multiple Jurisdictions," *Municipal Finance Journal* 22 (Spring 2001): 11-40.
16. Kenneth A. Kriz, "The Effect of Tax Increment Finance on Local Government Financial Condition," *Municipal Finance Journal*, 22 (Spring 2001): 41-64.
17. Joyce Y. Man, "The Impact of Tax Increment Financing Programs on Local Economic Development," *Journal of Public Budgeting, Accounting and Financial Management* 11 (Fall 1999): 417-30.
18. N.C. CONST. Art. V, Sec. 4 (stating general rule and setting forth limited exceptions).
19. G.S. 105-283; -284.
20. G.S. 159-102, -103. Prior to the 2007 legislative session, each unit of local government was authorized to issue project development financing debt instruments only for the specified purposes for which that unit was authorized to issue general obligation bonds. See William C. Rivenbark and Shea Riggsbee Denning, "Project Development Financing: Combating Blight and Promoting Economic Development through Tax Increment Funding," *Local Finance Bulletin* No. 35 (October 2006).
21. Proceeds also may be used for any service or facility authorized by G.S. 160A-536 and provided in a municipal service district. G.S. 159-103.
22. *Id.*
23. *Id.*
24. *Id.*
25. G.S. 159-103(a), as amended by S.L. 2007-395 (SB 1196), specifically exempts certain types of parks and recreation facilities—stadiums, arenas, golf courses, swimming pools, wading pools, and marinas. Note that counties and cities are authorized to use project development financing to fund the capital costs of stadiums and arenas under G.S. 159-48(b)(3). Arguably, the 2007 amendments did not alter this authority, but it is not entirely clear. Local Governments seeking to issue project development financing bonds to fund stadiums and arenas should consult with bond counsel.
26. G.S. 159-103(a) (permitting expenditures for only selected purposes set forth in G.S. 159-48 and excluding other purposes).
27. G.S. 158-7.3(b), (c).
28. G.S. 158-7.3(c).
29. G.S. 158-7.3(a)(1).

30. A development tier one area is a county whose annual ranking, based on its development factor, is one of the forty highest in the state. A county's development factor is the sum of its ranking among other counties by average rate of unemployment (from lowest to highest), median household income from highest to lowest, percentage growth in population from highest to lowest, and adjusted assessed property value per capita from highest to lowest. Counties with populations of less than 12,000 also are automatically ranked as one of the forty highest counties, along with any county with a population of less than 50,000 and with more than 19 percent of its population below the federal poverty level. G.S. 143B-437.08.

31. G.S. 158-7.3(c); 160A-515.1(b).

32. G.S. 158-7.3(b); 160A-515.1(b).

33. G.S. 158-7.3(c); 159-107(e).

34. G.S. 159-107(e).

35. G.S. 158-7.3(b); 160A-515.1(a).

36. G.S. 158-7.3(d); 160A-515.1(c).

37. G.S. 158-7.3 (g); 160A-515.1(f).

38. G.S. 158-7.3(f); 160A-515.1(e).

39. *Id.*

40. G.S. 158-7.3(h); 160A-515.1(g).

41. *Id.*

42. G.S. 159-104.

43. *Id.*

44. *Id.*

45. G.S. 159-111(b).

46. G.S. 159-105(a); *see also* G.S. 159-105(b) (establishing the criteria used by the LGC to approve proposed project development financing bonds).

47. G.S. 159-106(b).

48. G.S. 159-107.

49. G.S. 159-107(a).

50. Property owned by counties and cities is exempted from taxation pursuant to G.S. 105-278.1 and Article V, Section 2(3) of the state constitution.

51. G.S. 159-107(a).

52. *Id.*

53. G.S. 159-107(b). Prior to the 2007 amendments, G.S. 159-107(b)(3) required an increase in the base valuation in revaluation years to take into account appreciation in the value of property that was in the district as of January 1, before its creation. *See* William C. Rivenbark and Shea Riggsbee Denning, "Project Development Financing: Combating Blight and Promoting Economic Development through Tax Increment Funding," *Local Finance Bulletin* No. 35 (October 2006). S.L. 2007-395 (SB 1196) eliminated this requirement.

54. G.S. 105-107(b).

55. G.S. 105-107(c).

56. G.S. 159-107(d).

57. G.S. 105-286.

58. G.S. 105-285. Registered motor vehicles are valued as of January 1 of the year the taxes are due. G.S. 105-330.2.

59. G.S. 105-287.

60. A special district, like a city, must enter into an increment agreement before special district taxes levied on the incremental value of property within the district may be included in the revenue increment fund.

61. G.S. 159-107(d)(2).

62. G.S. 159-107(f) specifies how moneys in the revenue increment fund can be used.

63. *Id.*

64. G.S. 159-111(b).

65. A. Fleming Bell II, David M. Lawrence, and Aimee Wall, "Local Government and Local Finance," in *North Carolina Legislation 2005*, ed. Martha H. Harris (Chapel Hill, NC: School of Government, University of North Carolina at Chapel Hill 2006), 180.

66. G.S. 159-111(b).

67. *Id.*

68. Rules for reporting capitalized interest differ between governmental and proprietary funds.

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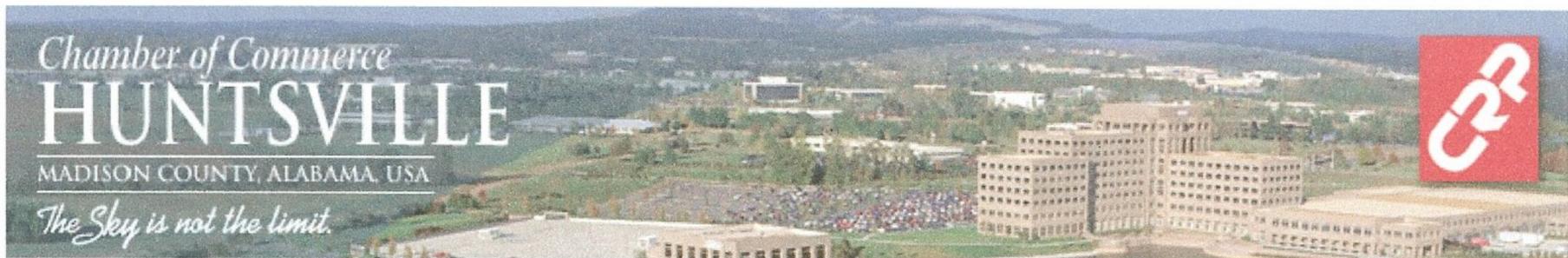
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Appendix 2
Class A Business Park Examples





One of Forbes Leading Cities for Business...

Economic Development	Chamber of Commerce	Huntsville Community	Contact Us	Links	Home
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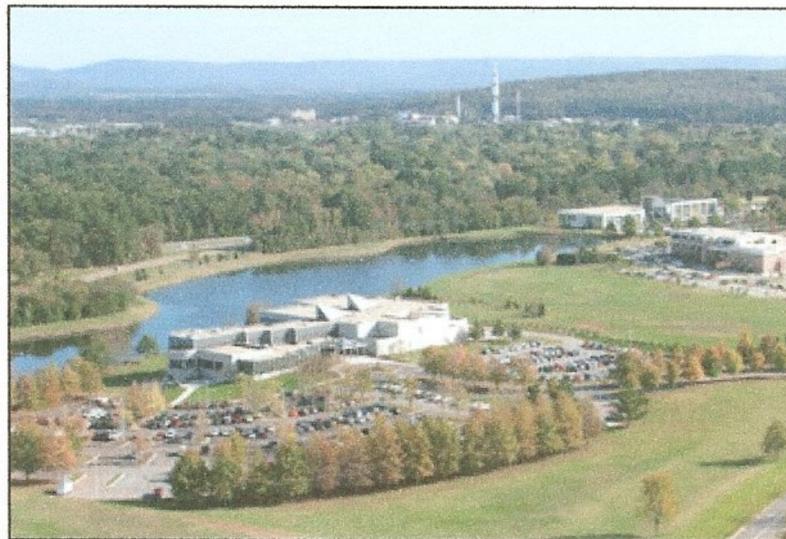
[Community Data](#) | [Industry Sectors](#) | [Economic Development Assistance](#) | [HREGI](#) | [Cummings Research Park](#)

Quick Facts

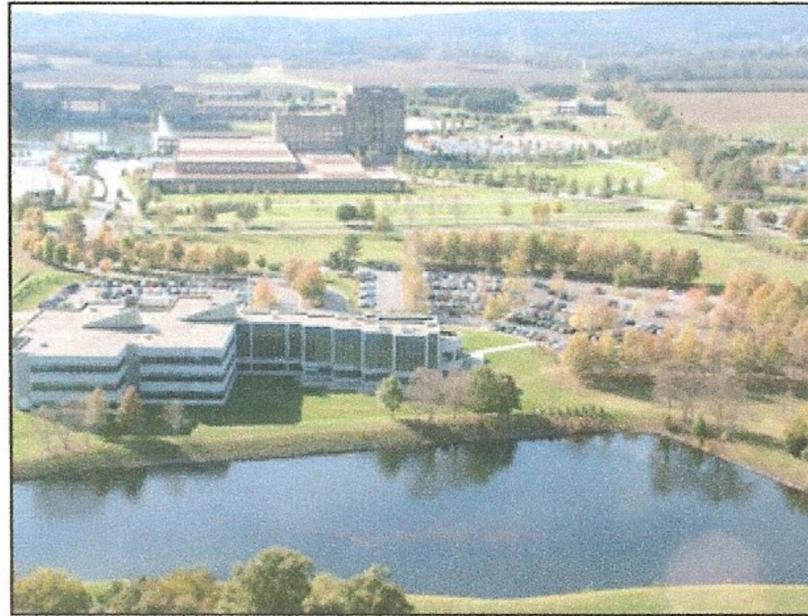
- ABOUT CRP
- Quick Facts »
- History »
- Photo Gallery »
- Management**
- Elected Officials »
- Governing Boards »
- CRP Director »
- Location Maps »

- Newsroom »
- Chamber Message »
- Join the Chamber »

One of the world's leading science and technology business parks, Cummings Research Park is a model for transforming research into business success. With a vibrant mixture of Fortune 500 companies, local and international high-tech enterprises, US space and defense agencies, a thriving business incubator, and competitive higher-education institutions, Cummings Research Park (CRP) is the center of attention for research and technology.

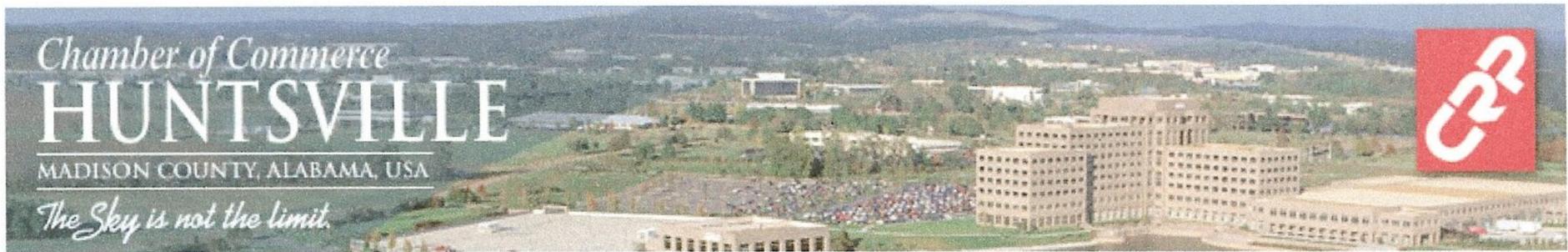


- Location:** Huntsville, Alabama
- Established:** 1962 - as Huntsville Research Park
- Renamed:** 1973 - in Honor of Mr. Milton K. Cummings
- Major Expansion:** 1982 - CRP West; Land Purchased by City of Huntsville
- Ranking:**
 - 2nd largest research and technology park in the U.S.
 - 4th largest in the world
 - Most Outstanding Science Park in the World (AURP, 1997)
- Current Land Area:** 3,843 Acres / 1,550 Hectares
- Companies:** 285 Companies
- Workforce:** 25,000 Employees
- Buildings:** 175 Buildings
- Capacity:** 9.5 million Square Feet
- Zoning:** Restricted zoning for technology industries.
- Air Access:** Huntsville International Airport (10-Minute Drive)
- Highway Access:** I-565 (Adjacent), I-65 (15-Minute Drive)
- Key Industries** Software Design, Engineering Services, Aerospace & Defense, Computers & Electronics, Research & Development, Biotech
- Current Tenants:**
 - Fortune 500 companies
 - International technology-based companies
 - Award-winning small businesses
 - Local entrepreneurial startups
 - BizTech - technology business incubator
 - Higher education - 9,800 enrolled students
 - Technology-oriented high schools
 - HudsonAlpha Institute for Biotechnology
 - Alabama Supercomputer Authority
 - Academic and non-profit research centers
 - Government and military research facilities
 - Bridge Street Town Centre



CRP is the heart of high-tech for the Huntsville area, a community whose modern history helped to establish and guide the development of space and missile programs in the United States. In the earliest beginnings of these programs, Huntsville-based programs designed the rockets that "put man on the moon." This initial base of technical knowledge and ability has since evolved into one of the world's most concentrated centers for research and technology

Chamber of Commerce of Huntsville/Madison County
225 Church Street, Huntsville, Alabama 35801
Phone: (256) 535-2000 | Fax: (256) 535-2015 | hcc@hsvchamber.org
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Cummings Research Park

About CRP

One of the world's leading science and technology business parks, Cummings Research Park is a model for transforming research into business success.

- [Quick Facts](#)
- [History](#)
- [Photo Gallery](#)
- [Management](#)
 - [Elected Officials](#)
 - [Governing Boards](#)
 - [CRP Director](#)
- [Location Maps](#)

Development Opportunities

Approximately 500 acres of land are still available for development within CRP. With a primary goal of stimulating growth and investment, the price of land in CRP is maintained within a highly competitive price range.

- [Overview & Process](#)
- [Available Sites & Pricing](#)
- [Development Restrictions](#)
- [Bridge Street Town Centre](#)

Publications

[2007 CRP Directory \(PDF\)](#)



[The Huntsville Times R&D Report Fall 2007](#)



[The Huntsville Times R&D Report Winter 2008](#)



- [Newsroom »](#)
- [Chamber Message »](#)
- [Join the Chamber »](#)

Companies in CRP

- [Alphabetical List](#)
- [Major Employers](#)
- [Fortune 500](#)
- [Fortune 1000 Industries](#)

Research & Education

- [Research Centers](#)
 - [Government & Non-Profit](#)
 - [Academic & Universities](#)
- [Education Institutions](#)
 - [Four-Year & Graduate](#)
 - [Two-Year & Technical](#)
 - [Secondary Schools](#)



Greater Williamsburg
Crossroads
New Town
Discovery Buildings
TNCC-TBC
JCC Incubator
School Of Education Site
Campus Perimeter
Student Volunteers

Partner with major institutions who seek a shared vision and strategies for appropriate evolution of the area, based on a common desire to leverage academic assets, preserve the quality of life, enhance the local workforce, and build community partnerships.

Crossroads Group

William and Mary
City of Williamsburg
James City County
York County

Colonial Williamsburg

Thomas Nelson Community College

Eastern State Hospital

Greater Williamsburg Chamber and Tourism Alliance

The Changing Campus Perimeter

New Town: 87 Businesses Oct 07

Movie Theater,
Quiznos, Corner Pocket, Ben & Jerry's,
Cheeburger, Bonfish Grill, Panera Bread,
Center Street Grill, Greenleaf,
Barnes & Noble, Foot Locker ...



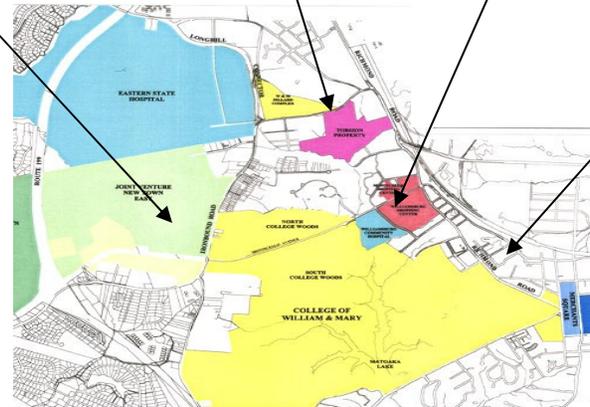
Future School
Of Education
Next to **Williamsburg
Shopping Center**



Scotland Street -- Delly Area
Green Leafe, Paul's, College Delly,
Hospitality House Grill



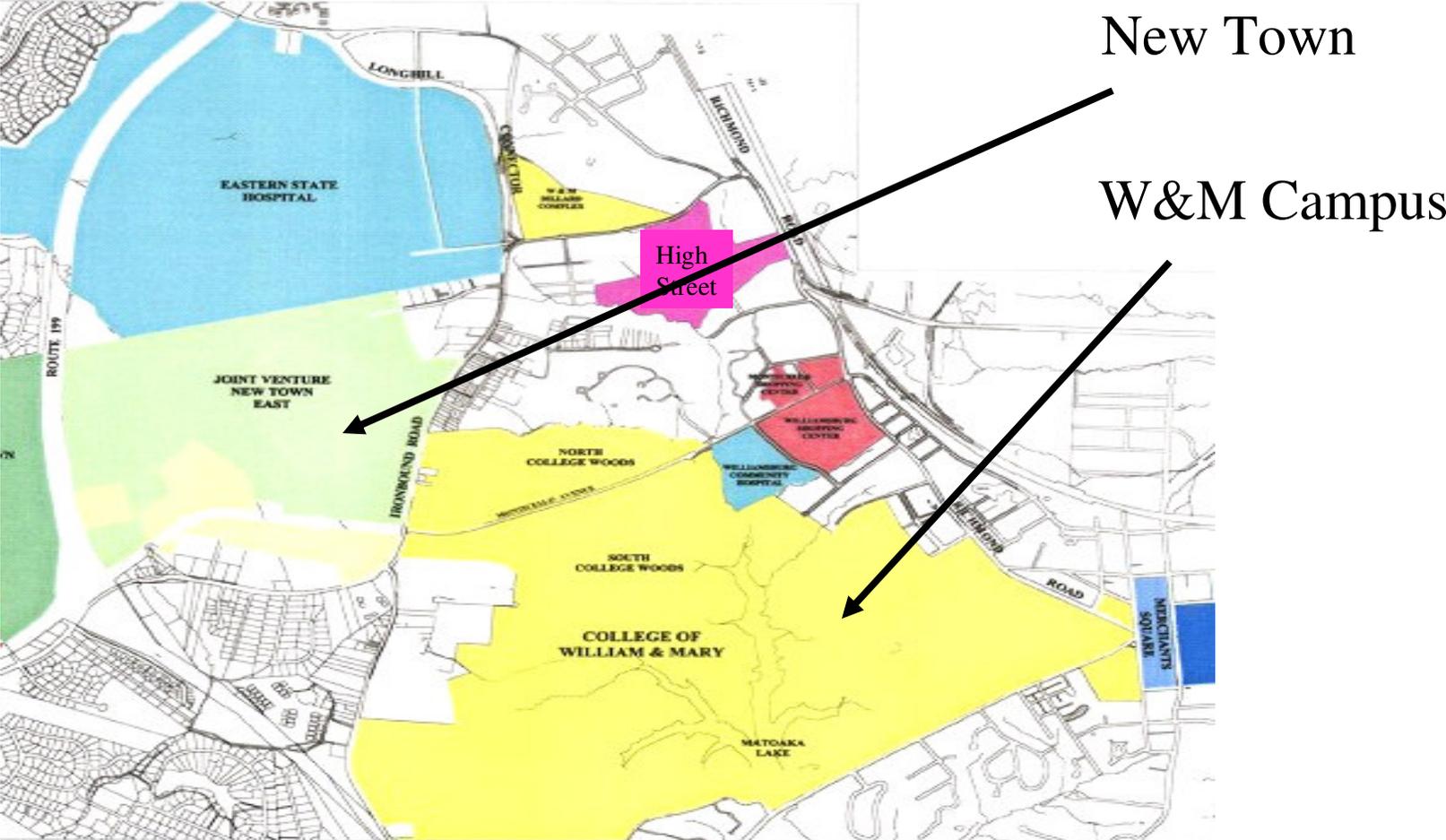
High Street



Merchant's Square

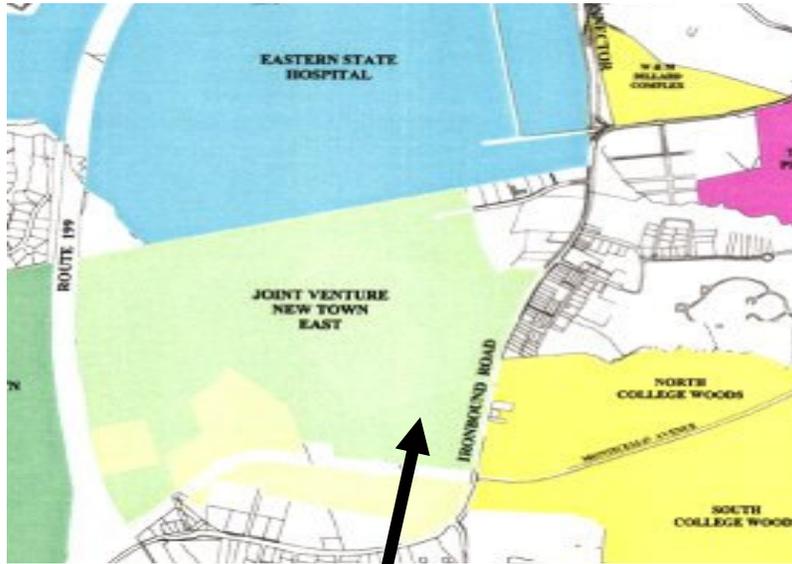
Kimball Theater, College Bookstore,
Stephano's Pizza, Aroma's, Cheeseshop,
Baskin Robbins

W&M has worked with the Crossroads Group to promote coordinated economic development on the periphery of the campus. In 2000 the W&M Endowment purchased a half-interest in 300 acres on the western perimeter of campus, which is now being developed as “New Town,”

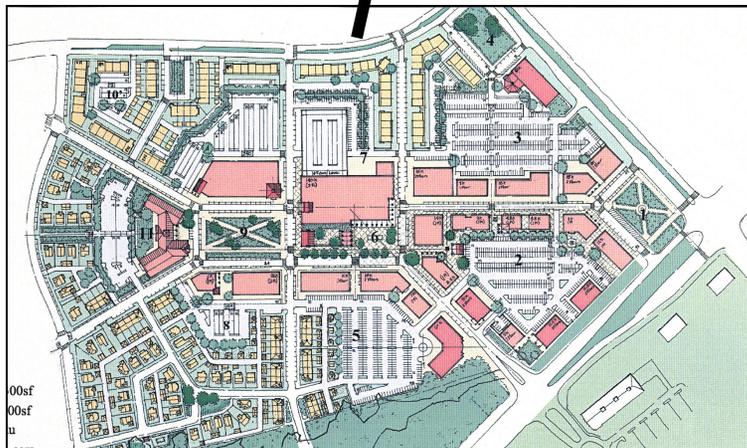


NEW TOWN

*There's A New Revolution In Williamsburg, Virginia.*SM



Town Center: 2002-2007



New Town is a new-urbanism, mixed-use community including commercial, retail, and residential components. The 80-acre town center is well underway, and most of it will be completed during 2006-2007.

Commercial



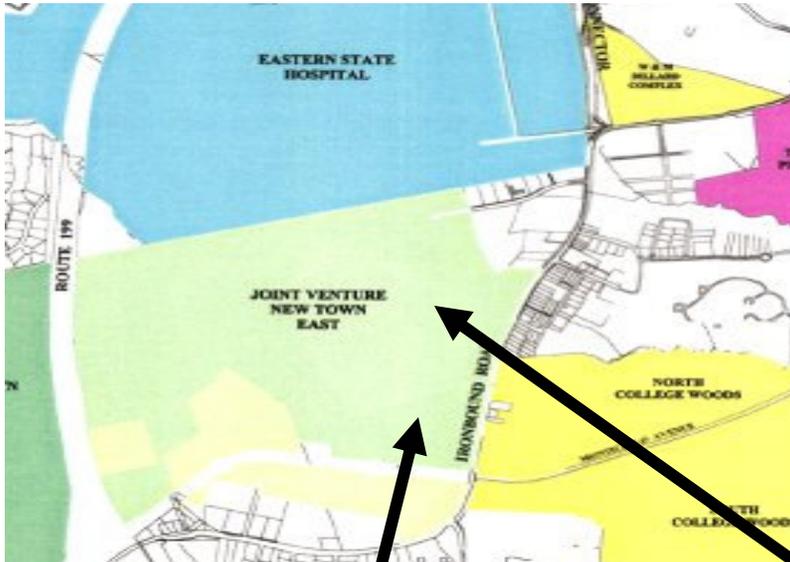
Retail



Residential

NEW TOWN

*There's A New Revolution In Williamsburg, Virginia.*SM



Town Center:
2002-2007

Discovery Business Park:
2006-2015

The second section includes a roughly 65-acre Discovery Business Park. The first buildings broke ground there in 2006. W&M will have offices in two new “Discovery” buildings in the park.



Discovery Business Park



Discovery Buildings



Discovery II – 20,000 SF

W&M Economic Development
W&M Technology and Business Center
W&M Research Institute
W&M Real Estate Foundation
James City County Econ Development
Thomas Nelson CC Tech Classrooms
Greater Williamsburg Community Health Foundation

Discovery I – 34,000 SF

W&M Development



Making Business Connections -- Supporting Economic Development in Greater Williamsburg and Hampton Roads (HR)

- Access to W&M support -- consulting and technical
- Business accelerator services to some 30 clients including companies in Hampton and James City County incubators
- CORP: Community Outreach Research Program
- CEO Forum
- Business Outreach Education Series and Incubator Module Program
- Lead the HR Research Partnership Sensors Cluster and the HR Technology Council's Sensor Science and Technology Forum



Contact: Director Bill Bean, webean@wm.edu, (757) 221-7825
<http://www.wm.edu/tbc/>



The College of
WILLIAM & MARY

Greater Williamsburg Initiative: CEAGH



THE CENTER FOR EXCELLENCE
IN AGING AND GERIATRIC HEALTH™

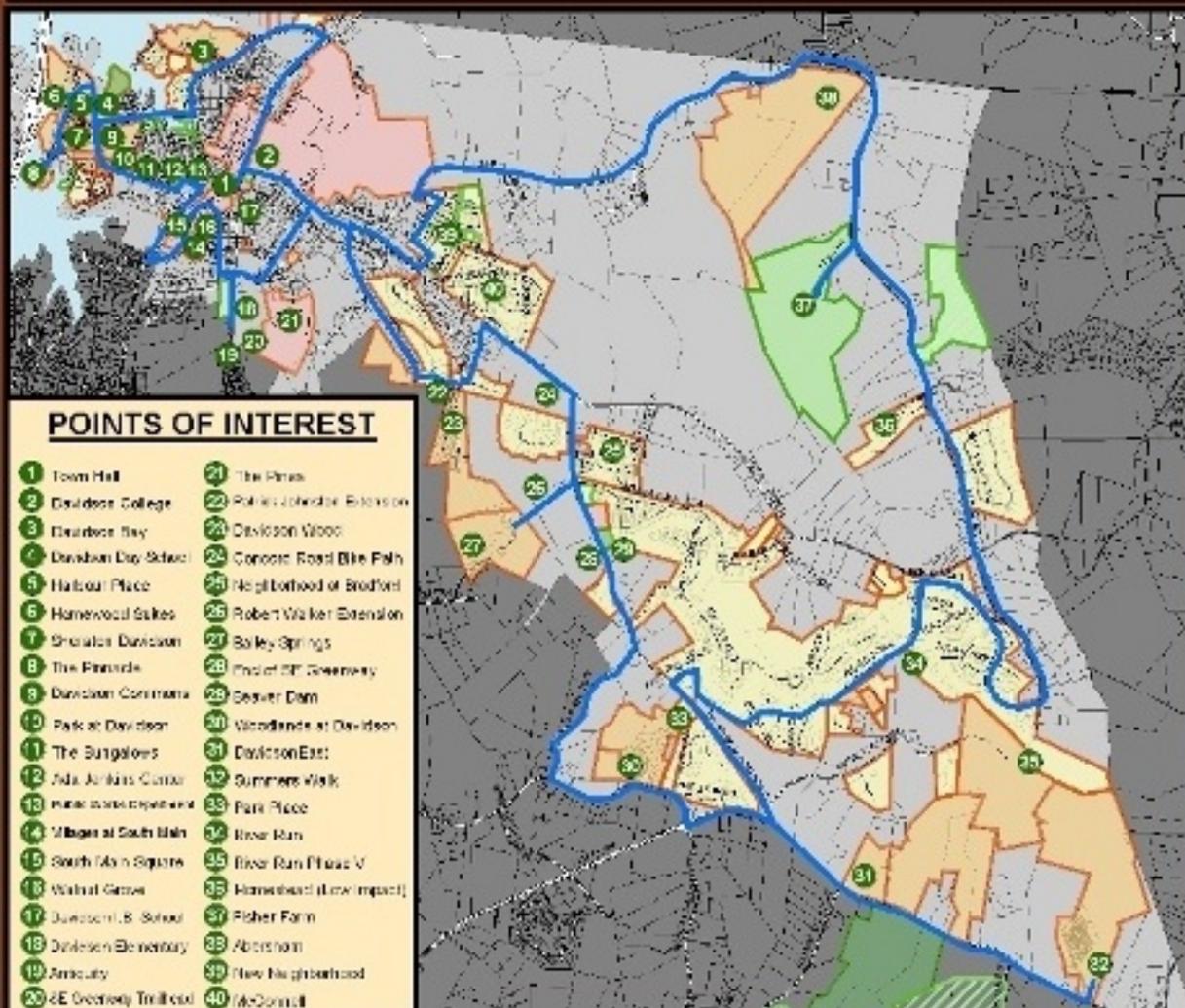
- Improve the quality of life for older adults by integrating the research capacity of universities, colleges and medical schools with the capabilities of local service providers.
- Collaboration includes W&M, VCU, EVMS, Sentara, Riverside, Eastern State Hospital, Peninsula Agency on Aging
- Leverages W&M Strengths in Kinesiology, Psychology, Sociology, Economics, and Public Policy.
- Lou Rossiter, former Secretary of Health and Human Resources and Senior Lecturer at W&M, is the Research Director.
- New Clinical Studies program.

<http://www.excellenceinaging.org/>

Appendix 3
Davidson and Birkdale Village



Tour of the Town of Davidson, North Carolina



POINTS OF INTEREST

- | | |
|--------------------------|-----------------------------|
| 1 Town Hall | 21 The Pines |
| 2 Davidson College | 22 Pullin-Lohrste-Bickson |
| 3 Davidson Bay | 23 Davidson Wood |
| 4 Davidson Day School | 24 Concord Road Bike Path |
| 5 Harbour Place | 25 Neighborhood of Bradford |
| 6 Homewood Suites | 26 Robert Walker Extension |
| 7 Shores at Davidson | 27 Bailey Springs |
| 8 The Parade | 28 Parcel of Brewery |
| 9 Davidson Commons | 29 Beaver Dam |
| 10 Park at Davidson | 30 Woodlands at Davidson |
| 11 The Bungalows | 31 Davidson East |
| 12 John Jenkins Center | 32 Summers Walk |
| 13 Main Street Open Yard | 33 Park Place |
| 14 Village at South Main | 34 River Run |
| 15 South Main Square | 35 River Run Phase V |
| 16 Walnut Grove | 36 Homewood (low impact) |
| 17 Davidson E. School | 37 Fisher Farm |
| 18 Davidson Elementary | 38 Aberration |
| 19 Arcady | 39 New Neighborhood |
| 20 SE Greenway Trailhead | 40 McConnell |



Created: 6/30/2007
 0 0.25 0.5 1
 Miles
 Davidson College, NC, © 2007
 Copyright © Davidson College, NC







Birkdale Village

Huntersville, North Carolina

Project Type: **Mixed Use/Multiuse**

Volume **34** Number **02**

January–March 2004

Case Number: **C034002**

PROJECT TYPE

Envisioned as a village-style town center serving the northern portion of Mecklenburg County, a rapidly growing suburb of Charlotte, North Carolina, Birkdale Village is a highly efficient, planned, 52-acre (21-hectare), pedestrian-oriented mixed-use community containing 287,000 square feet (26,662 square meters) of office and retail space and 320 apartments, 81 percent of which are located above retail space. The Main Street project features angled and parallel parking, attractive open spaces, and a traditional street grid system with residential and mixed-use buildings oriented toward the project's interior and parking decks located behind the buildings. The project's pedestrian connections and scale add to the center's urban feel.

SPECIAL FEATURES

- Mixed-use development
- Housing above street-level stores
- Town center
- Pedestrian scale and connections to surrounding developments
- First project to be developed under local new urbanist/mixed-use planning codes

DEVELOPERS/OWNERS

Crosland, Inc.
135 Scaleybark Road
Charlotte, North Carolina 28209
704-529-6098
Fax: 704-525-3562
www.crosland.com

Pappas Properties, LLC
4201 Congress Street, Suite 465
Charlotte, North Carolina 28209
704-553-2863
Fax: 704-716-3939
www.pappaspropertiesllc.com

MASTER PLANNER/ARCHITECT

Shook Kelley
2151 Hawkins Street, Suite 400
Charlotte, North Carolina 28203
704-377-0661
Fax: 704-377-0953
www.shookkelley.com

ARCHITECT

GENERAL DESCRIPTION

In northern Mecklenburg County, just north of Charlotte, North Carolina, suburban developments and golf course communities are quickly replacing what was once farmland. As the population continues to grow, residents have expressed concern that the area lacks a sense of place and community. Pappas Properties, LLC, and Crosland, Inc., kept this concern in mind as they developed Birkdale Village, a mixed-use, village-style town center. The center combines 233,000 square feet (21,646 square meters) of street-level retail and 54,000 square feet (5,017 square meters) of office space with 320 residential units and a 16-screen, 53,000-square-foot (4,924-square-meter) movie theater surrounding a town green where residents and visitors gather for community events.

The joint venture between Pappas Properties and Crosland builds on the partners' understanding of the local market. The principals of Pappas Properties have more than 20 years of development experience, including development of Phillips Place, one of the nation's first "lifestyle developments," which is located in Southpark near downtown Charlotte. Pappas also brought its experience of working with the town of Huntersville on the approval of Birkdale, a golf-course community, and its extensive experience in mixed-use development to the venture. For Crosland, Birkdale Village was a continuation of the innovative, high-quality development for which the company historically has been recognized. The firm applied its 66-year history of managing construction and developing residential, office, and commercial projects to help create a seamless, welcoming home for residents and a shopping and entertainment destination for visitors.

In designing this project, which was patterned on New England coastal towns, the developers aimed to integrate and minimize conflicts between uses, in order to create a place where people would enjoy living, shopping, and socializing. Because 81 percent of the residential units are located above retail stores, the developers paid special attention to parking, directional signage, lighting, noise, and street access based on the needs of all users.

SITE DESCRIPTION

Pappas Properties and Crosland acquired the 52-acre (21-hectare) site, a former equine farm, from Forest City Enterprises, Inc., a nationally recognized master developer based in Cleveland, Ohio. Located only 15 minutes from downtown Charlotte, the site is well connected to the region. On the southern and western sides of the property, Sam Furr Road, a major east/west thoroughfare, provides easy access to the interstate highway system. The property is bounded by an office park on the east and the Greens at Birkdale, a new urbanist residential community, on the north. The area also includes two golf course communities and a regional shopping center. To ensure connectivity and easy access to the center from the surrounding area, the site plan includes a grid street system flanked by sidewalks and a pedestrian path and bridge that link Birkdale Village to the office park and the Greens at Birkdale.

In keeping with its proximity to Lake Norman, one of North Carolina's largest inland lakes, the design team chose to model the village on a Nantucket architectural style. The two- to four-story buildings have high-pitched roofs and are faced with a combination of brick, Hardiplank fiber cement siding, and cedar shakes.

DEVELOPMENT PROCESS

During the mid-1990s, Huntersville and other towns near Lake Norman adopted new development codes designed to manage the area's explosive growth by encouraging new urbanist and mixed-use development. Birkdale Village was the first large-scale mixed-use development ushered through the approval process. Because the greenfield site originally was designated for retail development, a major rezoning was required to achieve the necessary use designation and density to support the economics of the project. While a density level of 14 dwelling units per acre (5.7 units per hectare) is a common suburban residential density, the location of residential units over retail space and their proximity to parking, entertainment, and office uses have resulted in a bustling village center.

To imbue Birkdale with a sense of place, the retail, office, and residential elements were carefully combined to

elicit an active urban feel. Along the main corridor, retail and residential uses face ten-foot-wide (three-meter-wide) sidewalks, parallel and angled street parking, and a wide, grassy median that runs the length of the main street. The open space acts as a divider to slow traffic and also provides a connection between the pedestrian and built environments. In the center of the development, the village green serves as a community gathering point and a setting for many outdoor activities and events. During the summer, the splash fountain is popular with young and old alike. Residents and shoppers also find numerous outdoor seating areas where they can enjoy watching and participating in the active street life.

The developers of Birkdale Village have facilitated continuous foot traffic along the main street by clustering retail and entertainment uses along this corridor. The clusters roughly correspond to where the three cross streets intersect the main street to form blocks measuring approximately 400 feet (122 meters) in length. At the central green, patrons find marquee restaurants and retail offerings. From this area, restaurant patrons may chose to walk either to the east, to the entertainment cluster that includes the movie theaters and small retail shops, or to the west, where they can shop in the fashion and home furnishing stores on the west end of the green. Birkdale Village also includes junior anchor retailers such as Dicks' Sporting Goods and Barnes & Noble Booksellers. To help maintain the pedestrian orientation of the main street, these retailers are located one block south of the main street, where they experience maximum exposure to automobile traffic on Sam Furr Road while also remaining within walking distance of the main street stores.

The needs of the street-level retail tenants dictated the timing for the completion of infrastructure and residential units, since the Phase I mixed-use buildings had to be 50 percent leased before construction could begin. For nearly the first six months of the project, the 16-screen, stadium-seating cinema complex was the only leased and open tenant. Realizing that unfilled leases in Phase I could delay completion and lease-up of the residential units, the developers adjusted the design to minimize the interference from future construction of retail tenant improvements with residential units. Changes included increasing the depth of the concrete walls between retail and residential units beyond code requirements to minimize construction noise and designing flexible retail space that integrates open shafts to accommodate future electrical and plumbing needs.

The initially slow pace of retail lease-up proved to be short lived. Midway through Phase I, unexpectedly high interest in the project from national retailers resulted in the redesign of Phase II (which already had been permitted and designed as an all-residential phase) to accommodate more mixed-use buildings. The original development plan called for a lower density and more stand-alone apartment buildings. The redesign added 56,000 square feet (5,202 square meters) of retail space and 74 apartment units, all of which are located above the retail space.

To keep the project on track and better facilitate the redesign of the upper-floor residential units, the design team worked with the retail tenants' architects to ensure that everyone understood all of each other's requirements. Buildings in Phase II were designed to provide 80 feet (24 meters) of merchandising depth in the double-loaded buildings that are located along the corridors intersecting the main street. The individualized retail spaces resulted in 45 different residential unit plans, with two main types of apartment unit styles based on the building type—double loaded or through building. The double-loaded residential units share a central hallway; one set of units face the main street while the others are oriented toward the inside parking court. The through-building apartments, which are located along the main street, feature living spaces facing the main street and bedrooms at the rear of the building. While the through-building design has been successful from a residential perspective, this layout results in a shallower retail depth, which limits retailers' merchandising capability.

Other residential options are available for renters who do not want to live over retail space. Apartment flats are located on the upper floors of the community clubhouse, and townhomes with upper-level flats are located one street north of the main street.

Even though the 45 different residential floor plans offer elements that attract renters, management of the residential units has been challenging. One of the main difficulties has been unit pricing. The distinctive living environment has resulted in residential rents 20 percent above the area residential submarket, ranging from \$600 for one-bedroom apartments to \$1,750 for three-bedroom apartments. Although demand for the upper-level main street residential units has been brisk, with renters paying a premium of 15 to 30 percent more for units with balconies and main street views, this premium was underestimated early on. As the rental units turn over, rents are being adjusted to better reflect rental demand.

Another challenge has been how to give renters an overview of the available floor plans. Typically a renter visiting an apartment community will receive three or four floor plans from which to choose an apartment, but in the case of Birkdale, management first has to identify the size and unit location that best fit a prospective tenant's budget and needs in order to narrow the unit selection. Variation in the office floor plans has proven to be more difficult than the residential units and has resulted in slower than expected lease-up of the office units. Office tenants want an efficient and predictable space in which to locate their operations.

During construction, the developers were concerned about the impact of ongoing construction on open retail stores and occupied residential units. To minimize interference, they managed road and infrastructure construction on a daily basis. Because of the softening job market, the developers were able to hire additional construction crews to speed up construction and still stay within the original construction budget.

As a result of the quick completion of each individual element, the project benefited from the synergy created by the completed retail, residential, and office spaces. The residential and office occupants provide a captive market for the retail tenants. At the same time, the retail space serves as a valuable amenity for office and residential tenants. The synergy created from the interaction of the residential, entertainment, and retail uses is most evident in the evenings, when activity is in full swing at the restaurants and stores and residents are home from work. The location of residential units above the retail space adds to the bustling environment. Residents use their main street residential access to become a part of the street activity, venturing out to the restaurants, shops, and cinema, and to walk their dogs. On pleasant evenings, they can be seen sitting on their balconies watching the street activity.

FINANCING

Birkdale Village was financed as a 50/50 joint venture between Wachovia Bank and Bank of America, and was substantially completed in September 2002 without the use of any public funds or investment tax credits. In order for Crosland to secure the financing arrangement, both Crosland and Pappas provided substantial guarantees. Given the faltering office and apartment markets, market timing was a constant concern throughout the phased development process. Yet the project's unique mix of retail, residential, and office space in the suburban environment enabled Birkdale Village to achieve rents that are significantly above market averages.

The importance of national retailers to Birkdale Village should not be understated. While their involvement resulted in the higher costs associated with more tenant improvements, it also reassured lenders that the project would succeed. The national retailers signed longer leases and allowed the developers to charge increased rents—a \$5 to \$8 per square foot (\$54 to \$86 per square meter) premium.

Retailers such as Banana Republic, Victoria's Secret, and the Gap, which traditionally locate mostly in regional malls, also provide an added amenity for residents and attract shoppers from a wider market area. The developers note, however, that it took them longer than they expected to sign suitable restaurant tenants—which they view as key to creating a lifestyle center that includes retail, entertainment, and residential uses. Now that the project is complete, residents can enjoy a variety of restaurants including a Red Rocks Café & Tequila Bar, Brixx Wood-Fired Pizza, Dressler's—a steak and seafood restaurant—and Qdoba Mexican Grill. While 40 percent of the national retail tenants occupy 65 percent of the gross leasable area, Crosland, which is responsible for retail tenant recruiting and leasing, also works to attract local retailers to maintain a unique product mix that includes restaurants, gift and specialty shops, clothing and jewelry stores, and service retailers such as a copy center and a hair salon. The pull of the high-caliber national retailers has attracted top-quality local businesses to Birkdale Village without the need to offer rent subsidies to local retailers.

In May 2003, Pappas Properties and Crosland recaptured their investment, receiving a more than 20 percent premium when they sold their majority interest in Birkdale Village to Northbrook, Illinois-based Inland Retail Real Estate Trust, Inc. Both Pappas and Crosland retain property management responsibilities and minority interests in the property. Crosland manages the residential units, while Pappas is the property manager and marketer for the office and retail space.

PLANNING AND DESIGN

Creating a sense of place was the driving force behind the planning and design of Birkdale Village. The collaborative design and development team worked together to evoke appealing design elements of the past within a format that would be successful for today's retailers, residents, and office workers. From the project's very beginning, the team—which included experts in office, retail, and residential uses as well as members with functional expertise in construction, leasing, property management, marketing, and event planning—convened on a weekly basis to determine how best to integrate uses. While this consensus decision-making approach was more time consuming than the traditional decision-making process, the developer believes that it also created a much better product, which has fueled demand for Birkdale Village's retail and residential units. It enabled the team to focus on the details, such as connecting the village to the larger community and attending to the differing and sometimes conflicting needs of residents and retailers.

To evoke a traditional community feel, the design team patterned Birkdale Village on a traditional Nantucket village, which typically contains two- to three-story buildings with first floors occupied by retail space and upper floors filled by office or residential tenants. Since the scale of the buildings in Birkdale Village is much larger than that in a traditional village—because of the national retailers' need for a larger retail footprint—the design team paid particular attention to the pedestrian experience. Familiar village elements such as buildings styled like a bank, a hotel, and a bed and breakfast create variation in the streetscape while at the same time providing a visual link for pedestrians to the built environment.

Easy access to the village center shops was essential for both vehicles and pedestrians. The design team solved the sometimes conflicting issues of residential and commercial accessibility and parking preferences by designating the bottom floors of parking decks for public parking—providing shoppers with direct access to stores—and reserving the upper, gated parking level for residents—who can walk directly from their cars to their front doors. The team also included on-street parallel and diagonal parking to provide consumers with easy access to personal services and store clusters. The four centrally located parking garages, which have entrances along the main street and are tucked in behind the retail stores, offer convenient customer parking when on-street parking is not available. Residents living above the street-level retail space were given street access from their units via stairs located on the main street level.

To better accommodate pedestrians' needs, the design team considered how pedestrians would move through the village—where they would park, where they would stop to rest, where they would unload their packages, and how they would interact with other pedestrians. The distance between parking, sidewalks, crosswalks, public gathering spaces, and outdoor furniture was minimized to provide a pleasant street experience. The manageable 400-foot (122-meter) block length allows pedestrians to move between shops without being overwhelmed by the building scale. Additional curb cuts were added to the sidewalks to provide an easier transition from the street to the sidewalk for pedestrians with disabilities and those pushing strollers.

Another aspect tackled by the team was efficient loading and circulation of vehicles. Loading zones for retail shops are located at the rear of the shops in the parking decks. Sidewalks were placed in front of the angled parking along the center median to better accommodate shoppers loading and unloading their cars. Clearly marked directional and parking signs are located throughout the village to facilitate vehicular and pedestrian traffic.

The surrounding neighborhood is connected to Birkdale Village by a traditional grid street pattern. Residents from the Greens at Birkdale can walk to the village center easily via wide sidewalks along the connecting streets or the pedestrian pathway that links the village with the neotraditional community. During weekday lunch hours, office workers from the neighboring office park often take advantage of a pedestrian bridge, located near the movie theaters, to access the village restaurants and shops. The developer notes that much of the movement between Birkdale Village and the surrounding community is still largely vehicular, but the pedestrian connections provide additional options and add to the village feel.

MARKETING AND MANAGEMENT

Just as coordination was key to the effective and efficient execution of Birkdale Village's development, continued collaboration between Pappas and Crosland ensures that shopping, living, and working in Birkdale Village is an

enjoyable experience. The two firms work together to arrange security, landscaping, maintenance, and trash collection so that the appropriate level of service is achieved without disturbing residents or shop tenants. Even small details such as sidewalk sweeping must be scheduled carefully so that they do not interfere with store operations or create late-night noise that could disturb residents.

Birkdale Village's location provides it a unique market niche for both retail and residential tenants, as there is no regional mall nearby and limited opportunities exist for renters seeking to live in an active mixed-use environment. The promotional images of Birkdale Village seek to attract a wide spectrum of residents and visitors by branding the experience of community and excitement. The images show people living, working, relaxing, shopping, and dining—all within the village setting. Marketing for the residential units targets empty nesters, young professionals, and "lifestyle renters" who are attracted to the project's amenities, including the movie theaters, restaurants, and shops within walking distance and the 24-hour fitness facility. The marketing of community and family-oriented activities seeks to attract young families and active individuals to the village to enjoy the outdoor atmosphere, entertainment, and shopping. Promotion of the regional shopping experience outside of a mall in an active pedestrian setting draws shoppers from throughout the region.

Marketing for Birkdale Village is a coordinated effort between Crosland and Pappas, with Pappas's marketing director taking the lead in coordinating social programs and events. A full-time marketing director coordinates a resident newsletter, merchant networking, and signature events, including a Christmas tree lighting, a Fourth of July parade with a firemen's face-off, and a Halloween festival. In addition, all residents receive a "Live It Up" card, which offers discounts on merchandise and services at participating Birkdale Village businesses. This effort helps support Birkdale Village's image as a destination community and draws patrons from the more than 138,000 people living within ten miles (16 kilometers) of the village.

EXPERIENCE GAINED

- The synergy of a mixed-use project comes from the interaction of all the completed pieces. Creating a construction staging and sequencing plan is essential prior to beginning work on the site so that mixed-use buildings can be completed quickly and conflict between construction and completed residential and retail uses is minimized. By phasing the project, the developer was able to establish interim income to support construction of the final phase.
- Mixed-use developments require more landscaping, signage, and lighting than a typical project, resulting in higher construction costs. These costs are necessary to create a welcoming and safe destination. Landscaping and streetscaping provide the connection between pedestrians and the built environment. Signage directs visitors to nearby parking and helps maintain the traffic flow.
- Sufficient lighting is needed on the street level to establish a feeling of safety and also maximize retail presentation. However, efforts have to be made to minimize the impact of increased lighting on elevated residential units. In Birkdale, the developers set the street light fixture height at 11 feet (3.4 meters) and reduced the bulb wattage to minimize light streaming into the residential units. To ensure adequate illumination for pedestrians, the number of light fixtures along the streets and sidewalks was increased.
- Residents view entertainment, restaurants, and shops as amenities. It is important to open as many restaurants in conjunction with the residential units as possible to provide the expected amenity and also to help create street activity.

PROJECT DATA

LAND USE INFORMATION

Site area (acres/hectares): 52/21
Mixed-use buildings: 18
Apartment buildings: 3
Total dwelling units: 320
Junior anchors: 5
Outparcels: 5
Total parking spaces: 15,500

GROSS BUILDING AREA			
Use	Gross Area (Square Feet/Square Meters)		
Office	54,000/5,016		
Retail	233,000/21,645		
Residential	371,030/34,468		
Entertainment	53,000/4,923		
Total GBA	711,030/66,052		
LEASABLE AREA			
Use	Leasable Area (Square Feet/Square Meters)		
Office net rentable area	54,000/5,016		
Retail gross leasable area	233,000/21,645		
Theater (16 screens)	53,000/4,923		
Residential (320 units)	Data Not Available		
RESIDENTIAL INFORMATION			
Unit Type	Floor Area (Square Feet/Square Meters)	Percentage Leased	Range of Initial Rental Prices
45 different plans (98 one-bedroom units, 56 units with one bedroom and one loft, 17 units with one bedroom and one den, 28 two-bedroom units, 19 two-bedroom townhouses, 22 three-bedroom townhouses)	650–2,700/60–250	86	\$650–\$2,000
RETAIL INFORMATION			
Classification	Number of Stores	Gross Leasable Area (Square Feet/Square Meters)	
Food service	11	47,786/4,439	
Clothing and accessories	15	60,895/5,657	
Shoes	3	4,125/383	
Home furnishings	5	22,259/2,068	
Books and music	1	23,000/2,137	
Hobby/special interest	5	37,500/3,484	
Gifts/specialty	6	10,159/944	
Jewelry	2	2,167/201	
Personal services	7	11,163/1,037	
Drugs	1	15,000/1,393	
Entertainment	1	53,270/4,949	
Total	57	287,324/26,692	
Gross leasable area occupied: 95 percent			
Annual rents (per square foot/square meter): \$21–\$23/\$226–\$248			
DEVELOPMENT COST INFORMATION			
Site acquisition costs: \$7,000,000			
Site improvement costs: \$11,700,000			
Construction costs: \$55,000,000			
Soft costs: \$8,800,000			
Total development cost: \$82,500,000			

DEVELOPMENT SCHEDULE

Site purchased: 1997
Planning started: 1997
Sales/leasing started: 1999
Construction started: 2000
Phase I completed: September 2001
Project completed: 2003

This Development Case Study is intended as a resource for subscribers in improving the quality of future projects. Data contained herein were made available by the project's development team and constitute a report on, not an endorsement of, the project by ULI—the Urban Land Institute.

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APARTMENTS

SHOPPING

EVENTS

OFFICES

MOVIES

SAVE

DINING

unwind



shop



dwell

work

relax



contact us

Birkdale Village Information Center

8712 Lindholm
Suite 206
Huntersville, NC 28078
704.895.8744

For Commercial leasing information, please contact:

Retail Management Office,
704.895.8744

For Apartment information, please contact:

Leasing Office
16725 Birkdale Commons Pkwy.
Huntersville, NC 28078
Tel: 704-895-7895 Fax: 704-895-7894

[- OR -](#)

[Click here to Inquire about our apartments](#)

our story

retail leasing

location

developers/partners

lifestyle

contact us

Appendix 4
New Urbanism / Smart Growth



New Urbanism



Creating Livable Sustainable Communities

SITE MAP

FEATURED BOOKS

PRINCIPLES

SPRAWL & HEALTH

SMART GROWTH

NEW URBANISM
SUSTAINABILITY
SPRAWL COSTS
DENSITY
PEDESTRIAN
TRANSPORT
CONFERENCES
BOOK STORE
MARKETPLACE
GLOBAL WARM



PRINCIPLES OF URBANISM

The principles of urbanism can be applied increasingly to projects at the full range of scales from a single building to an entire community.

1. Walkability

- Most things within a 10-minute walk of home and work
- Pedestrian friendly street design (buildings close to street; porches, windows & doors; tree-lined streets; on street parking; hidden parking lots; garages in rear lane; narrow, slow speed streets)
- Pedestrian streets free of cars in special cases



2. Connectivity

- Interconnected street grid network disperses traffic & eases walking
- A hierarchy of narrow streets, boulevards, and alleys
- High quality pedestrian network and public realm makes walking pleasurable



3. Mixed-Use & Diversity

- A mix of shops, offices, apartments, and homes on site. Mixed-use within neighborhoods, within blocks, and within buildings
- Diversity of people - of ages, income levels, cultures, and races



4. Mixed Housing

A range of types, sizes and prices in closer proximity



5. Quality Architecture & Urban Design

Emphasis on beauty, aesthetics, human comfort, and creating a sense of place; Special placement of civic uses and sites within community. Human scale architecture & beautiful surroundings nourish the human spirit



6. Traditional Neighborhood Structure

- Discernable center and edge
- Public space at center
- Importance of quality public realm; public open space designed as civic art
- Contains a range of uses and densities within 10-minute walk
- Transect planning: Highest densities at town center; progressively less dense towards the edge. The transect is an analytical system that conceptualizes mutually reinforcing elements, creating a series of specific natural habitats and/or urban lifestyle settings. The Transect integrates environmental methodology for habitat assessment with zoning methodology for community design. The professional boundary between the natural and man-made disappears, enabling environmentalists to assess the

design of the human habitat and the urbanists to support the viability of nature. This urban-to-rural transect hierarchy has appropriate building and street types for each area along the continuum.



7. Increased Density

- More buildings, residences, shops, and services closer together for ease of walking, to enable a more efficient use of services and resources, and to create a more convenient, enjoyable place to live.
- New Urbanism design principles are applied at the full range of densities from small towns, to large cities



8. Smart Transportation

- A network of high-quality trains connecting cities, towns, and neighborhoods together
- Pedestrian-friendly design that encourages a greater use of bicycles, rollerblades, scooters, and walking as daily transportation



9. Sustainability

- Minimal environmental impact of development and its operations
- Eco-friendly technologies, respect for ecology and value of natural systems
- Energy efficiency
- Less use of finite fuels
- More local production
- More walking, less driving



10. Quality of Life

Taken together these add up to a high quality of life well worth living, and create places that enrich, uplift, and inspire the human spirit.



BENEFITS OF URBANISM

1. BENEFITS TO RESIDENTS

Higher quality of life; Better places to live, work, & play; Higher, more stable property values; Less traffic congestion & less driving; Healthier lifestyle with more walking, and less stress; Close proximity to main street retail & services; Close proximity to bike trails, parks, and nature; Pedestrian friendly communities offer more opportunities to get to know others in the neighborhood and town, resulting in meaningful relationships with more people, and a friendlier town; More freedom and independence to children, elderly, and the poor in being able to get to jobs, recreation, and services without the need for a car or someone to drive them; Great savings to residents and school boards in reduced busing costs from children being able to walk or bicycle to neighborhood schools; More diversity and smaller, unique shops and services with local owners who are involved in community; Big savings by driving less, and owning less cars; Less ugly, congested sprawl to deal with daily; Better sense of place and community identity with more unique architecture; More open space to enjoy that will remain open space; More efficient use of tax money with less spent on spread out utilities and roads

2. BENEFITS TO BUSINESSES

Increased sales due to more foot traffic & people spending less on cars and gas; More profits due to spending less on advertising and large signs; Better lifestyle by living above shop in live-work units - saves the stressful & costly commute; Economies of scale in marketing due to close proximity and cooperation with other local businesses; Smaller spaces promote small local business incubation; Lower rents due to smaller spaces & smaller parking lots; Healthier lifestyle due to more walking and being near healthier restaurants; More community involvement from being part of community and knowing residents

3. BENEFITS TO DEVELOPERS

More income potential from higher density mixed-use projects due to more leasable square footage, more sales per square foot, and higher property values and selling prices; Faster approvals in communities that have adopted smart growth principles resulting in cost / time savings; Cost savings in parking facilities in mixed-use properties due to sharing of spaces throughout the day and night, resulting in less duplication in providing parking; Less need for parking facilities due to mix of residences and commercial uses within walking distance of each other; Less impact on roads / traffic, which can result in lower impact fees; Lower cost of utilities due to compact nature of New Urbanist design; Greater acceptance by the public and less resistance from NIMBYS; Faster sell out due to greater acceptance by consumers from a wider product range resulting in wider market share

4. BENEFITS TO MUNICIPALITIES

Stable, appreciating tax base; Less spent per capita on infrastructure and utilities than typical suburban

development due to compact, high-density nature of projects; Increased tax base due to more buildings packed into a tighter area; Less traffic congestion due to walkability of design; Less crime and less spent on policing due to the presence of more people day and night; Less resistance from community; Better overall community image and sense of place; Less incentive to sprawl when urban core area is desirable; Easy to install transit where it's not, and improve it where it is; Greater civic involvement of population leads to better governance

WAYS TO IMPLEMENT NEW URBANISM

The most effective way to implement New Urbanism is to plan for it, and write it into zoning and development codes. This directs all future development into this form.

[Latest version of the SmartCode](#)

New Urbanism is best planned at all levels of development:

- The single building
- Groups of buildings
- The urban block
- The neighborhood
- Networks of neighborhoods
- Towns
- Cities
- Regions

Increasingly, regional planning techniques are being used to control and shape growth into compact, high-density, mixed-use neighborhoods, villages, towns, and cities. Planning new train systems (instead of more roads) delivers the best results when designed in harmony with regional land planning - known as Transit Oriented Development (TOD). At the same time, the revitalization of urban areas directs and encourages infill development back into city centers.

Planning for compact growth, rather than letting it sprawl out, has the potential to greatly increase the quality of the environment. It also prevents congestion problems and the environmental degradation normally associated with growth.

OBSTACLES TO OVERCOME

The most important obstacle to overcome is the restrictive and incorrect zoning codes currently in force in most municipalities. Current codes do not allow New Urbanism to be built, but do allow sprawl. Adopting a TND ordinance and/or a system of 'smart codes' allows New Urbanism to be built easily without having to rewrite existing codes.

[Download the latest SmartCode for free](#)

An equally important obstacle is the continuous road building and expansion taking place in every community across America. This encourages more driving and more sprawl which has a domino effect increasing traffic congestion across the region. Halting road projects and building new train systems helps reverse this problematic trend. [Read more](#)

"Only when humans are again permitted to build authentic urbanism — those cities, towns, and villages that nurture us by their comforts and delights — will we cease the despoiling of Nature by escaping to sprawl" - Andres Duany

[NEW URBANISM BOOKS](#)

For more information:

[New Urbanism](#) | [Transit Oriented Development](#) | [New Trains](#) | [Global Warming](#)

[CONTACT US](#) for more information, speaking engagements, consultation, or design work:

NewUrbanism.org
824 King Street, Suite 103
Alexandria, VA 22314

[Email](#)

SmartCode Central

HOME

Welcome to SmartCode Central

ABOUT THE CODE

The SmartCode is a model transect-based development code available for all scales of planning, from the region to the community to the block and building. The code is intended for local calibration to your town or neighborhood. As a form-based code, the SmartCode keeps towns compact and rural lands open, while reforming the destructive sprawl-producing patterns of separated use zoning.

WHY WE DO THIS

THE TRANSECT

SMARTCODE V9 FILES

THE MODULE MARKET

CONSULTANT SERVICES

SmartCode Central collects all the important components of transect-based planning in one place. We provide files of the latest versions of the model [SmartCode](#) and supplementary [Modules](#), including new sustainability standards. We also link to calibrators, attorneys, and town planners who do significant work with the SmartCode.

SEMINARS

NEWS & RESOURCES

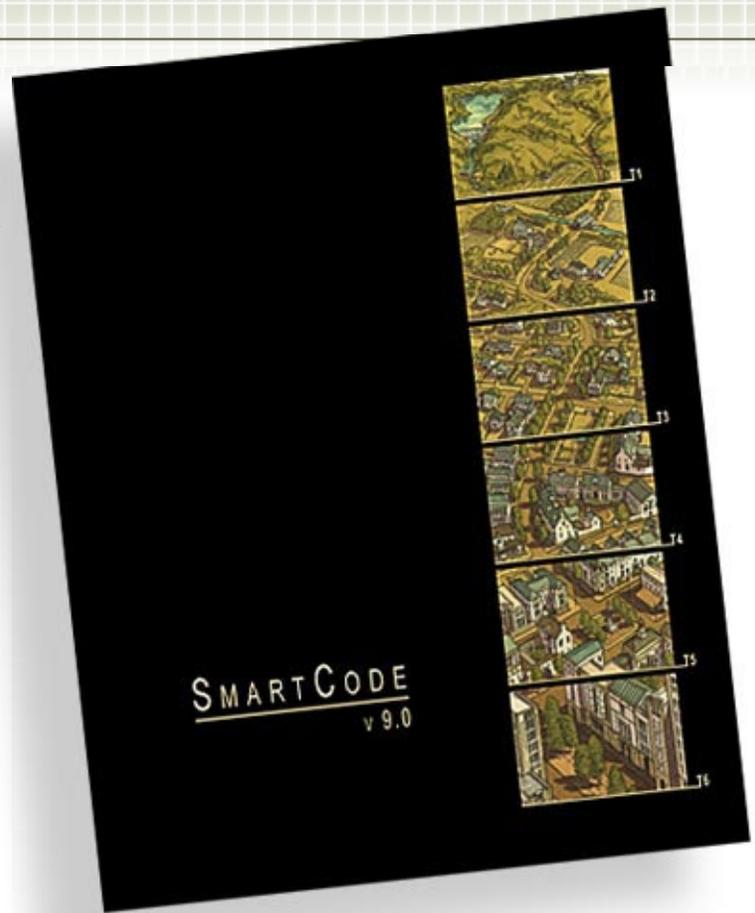
IMAGE LIBRARY

CONTACT

The SmartCode was released by [Duany Plater-Zyberk and Company \(DPZ\)](#) in 2003, after two decades of research and implementation. The code is open source and free of charge.

The non-profit [Center for Applied Transect Studies \(CATS\)](#) was founded in 2007 to promote understanding of the built environment as part of the natural environment, through the planning methodology of the rural-to-urban transect. The SmartCode is the foundational tool for implementation of this methodology.

All diagrams ©DPZ & Co.



The 2008 *SmartCode v9 and Manual* is now available from [New Urban News Publications](#).

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- Overview
- Principles
- Issues

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RESOURCES

CALENDAR

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SITE MAP

EMAIL TO A FRIEND

NEW RESOURCES

- Urban Land -- September 2008
- Mountain Megs: America's Newest Metropolitan Places
- Metroburbia, USA
- Transportation Performance in the Twin Cities
- Transition Towns Wiki [more](#)

DATEBOOK

10/28/2008
S.G. Speaker Series: Partnering to Create Green Communities -- San Francisco's Treasure Island
[Speakers Audio Archive](#)

About Smart Growth

In communities across the nation, there is a growing concern that current development patterns -- dominated by what some call "sprawl" -- are no longer in the long-term interest of our cities, existing suburbs, small towns, rural communities, or wilderness areas. Though supportive of growth, communities are questioning the economic costs of abandoning infrastructure in the city, only to rebuild it further out.

Spurring the smart growth movement are demographic shifts, a strong environmental ethic, increased fiscal concerns, and more nuanced views of growth. The result is both a new demand and a new opportunity for smart growth.



The features that distinguish smart growth in a community vary from place to place. In general, smart growth invests time, attention, and resources in restoring community and vitality to center cities and older suburbs. New smart growth is more town-centered, is transit and pedestrian oriented, and has a greater mix of housing, commercial and retail uses. It also preserves open space and many other environmental amenities.

The Smart Growth Principles and Issues below describe in greater details the various aspects of planning and development that make up smart growth.

Smart Growth Principles

- [Create Range of Housing Opportunities and Choices](#)
- [Create Walkable Neighborhoods](#)
- [Encourage Community and Stakeholder Collaboration](#)
- [Foster Distinctive, Attractive Communities with a Strong Sense of Place](#)
- [Make Development Decisions Predictable, Fair and Cost Effective](#)
- [Mix Land Uses](#)
- [Preserve Open Space, Farmland, Natural Beauty](#)

Smart Growth Issues

- [Community Quality of Life](#)
- [Design](#)
- [Economics](#)
- [Environment](#)
- [Health](#)
- [Housing](#)
- [Transportation](#)

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Smart Growth Bill Needs Gov. Schwarzenegger's Signature by September 30

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Prescott Visioning Team Hopes to Keep Small-Town Feel, Build on Quality of Life

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Bell Rings for Nation's First Carbon Market

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Other Smart Growth Events:

10/20/2008:
Making Your Community Healthy,
Safe and Green

10/21/2008:
Futuropolis 2058

and Critical Environmental
Areas

- Provide a Variety of
Transportation Choices
- Strengthen and Direct
Development Towards
Existing Communities
- Take Advantage of
Compact Building Design

"As far as transit-oriented development is concerned, there is no better example than this project."

-- Stamford,
Connecticut's City
Land Use Bureau
Chief Robin Stein

**Click Here for More
Smart Growth News
on the Web**



This web site is a subset of <http://www.sustainable.org>, developed and maintained by the Sustainable Communities Network (SCN), and supported with funding from the US EPA.

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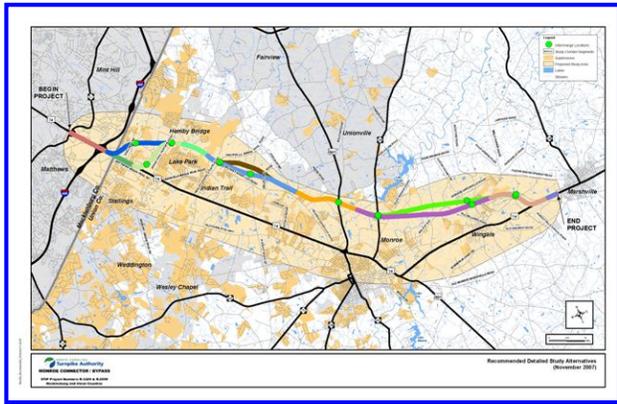
Appendix 5
I-74 Monroe Connector
Status and Contact Information



Monroe Connector/Bypass

Overview

Recommended Detailed Study Alternatives



[Click to Enlarge](#)

Description

New location roadway from US 74 at I-485 in eastern Mecklenburg County to US 74 near the Town of Marshville in Union County.

Length

Approximately 21.1 miles

Estimated Cost

Preliminary cost is estimated at \$756.6 million. Final costs will be determined during design.

Free alternate route

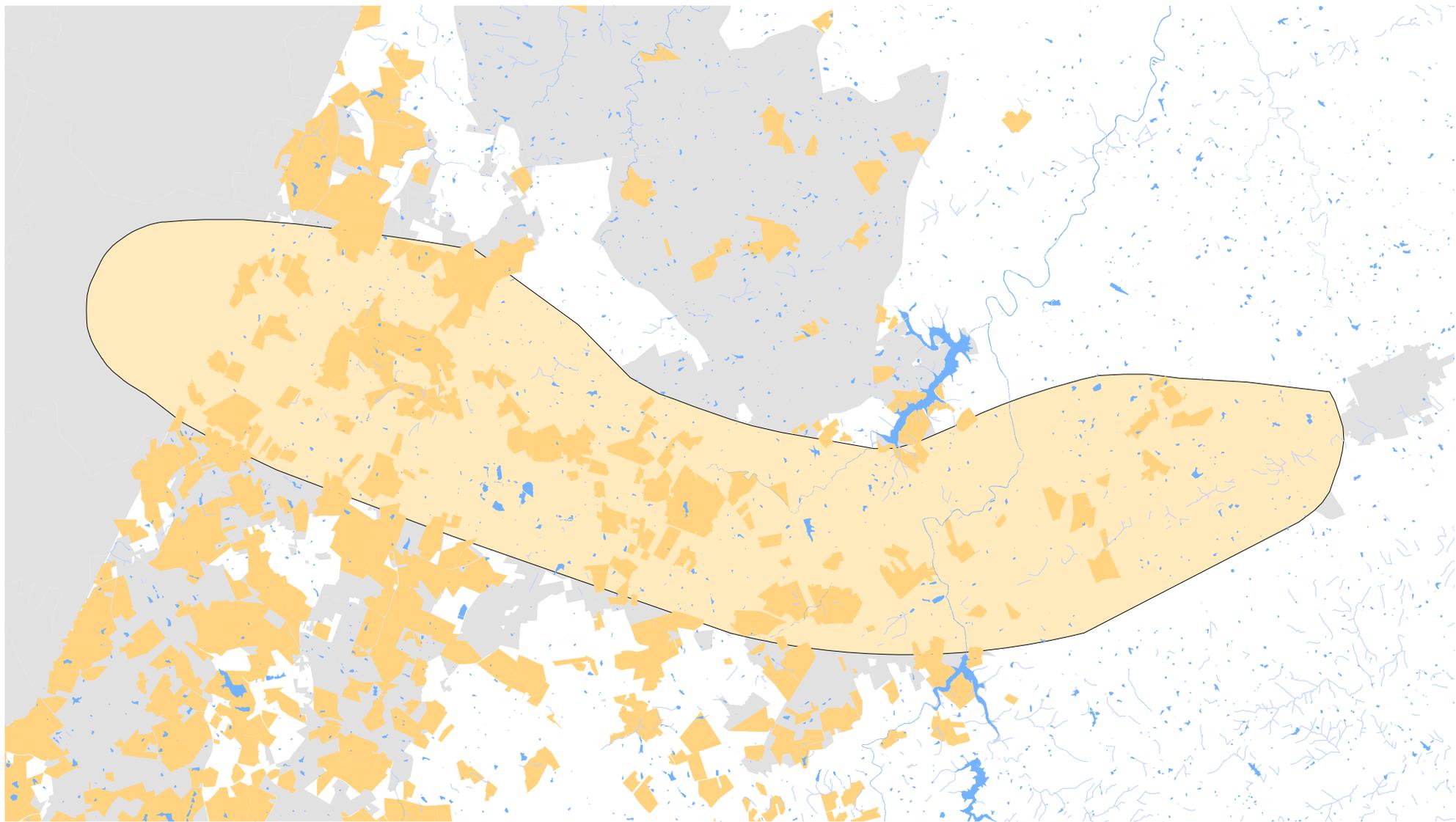
Existing US 74.

Timeline

Financial feasibility study	Completed
Draft environmental impact statement	December 2008
Final environmental impact statement	August 2009
Record of Decision	October 2009
Award construction contract	November 2009
Project open to traffic	2013

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Page updated 9/8/2008



NCTA Board of Directors

The North Carolina Turnpike Authority is governed by a nine-member board of directors with the Secretary of the North Carolina Department of Transportation serving as board chairman. Four members of the board are appointed by the Governor; two members are appointed by the President Pro-Tem of the Senate and two by the Speaker of the House of Representatives.

Members of the NCTA Board are listed below. Please click on a member's name for biographical and contact information.

- [Lyndo Tippett](#) (Chairman)
- [Lanny Wilson](#) (Vice Chairman)
- [Perry R. Safran](#) (Secretary/Treasurer)
- [Anthony Fox](#)
- [Sang J. Hamilton, Sr.](#)
- [William C. Lackey, Jr.](#)
- [Robert L. Spencer, Jr.](#)
- [Robert D. Teer, Jr.](#)
- [E. David Redwine](#)

Board Committee Structure

The Board of Directors is organized into four working committees:

- **Executive Committee**
Coordinates the responsibilities and action of the other committees and reviews proposals that are to be presented to the Board.
- **Finance Committee**
Oversees the fiscal well-being of the NCTA and its projects, including oversight of audits, reviewing financing strategies and assessing the revenue and funding assumptions in project analyses.
- **Operations and Personnel Committee**
Oversees all operational aspects of each project including toll collections, violations processing and enforcement. This committee also reviews staffing plans, performs the annual evaluation of the Executive Director, and oversees communications and public information efforts.
- **Plans and Programs Committee**
Oversees the environmental, design, and construction aspects of each project, including timelines, cost and revenue projections, and assumptions used in project analyses.

In Memoriam

Allan Dameron served as a founding member of the NCTA Board of Directors and Chairman of the Operations and Personnel Committee from 2002 until his untimely death on December 24, 2006.

The NCTA Board and staff are grateful for his ardent leadership and devoted service to the citizens of North Carolina. But like all who knew him, we miss his genuine friendship and compassion for others.

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Page updated 11/20/2007

Appendix 6
Belville New Downtown Process





EXECUTIVE SUMMARY

Market Analysis for the Development of a Mixed-Use Town Center in Belville, near Wilmington, North Carolina

TOWN OF BELVILLE | AUGUST 4, 2008



Executive Summary

BACKGROUND

Report Preparation

Bryan Hollander, Associate, Atlanta
Dave Pierce, Associate, Atlanta
Erica Champion, Senior Associate, Atlanta
Todd Noell, Managing Director, Atlanta

Critical Assumptions and General Limiting Conditions

- Current trends continue:
 - Economy and demographic trends, including real estate market and employment and household growth follow current patterns of stable to moderate rate
 - Competitive and public works projects move forward as planned
 - Real estate supply offerings continues to meet demand
- Does not account for possible contingencies:
 - Major economic “shocks”
 - Cyclical nature of real estate markets
 - Major shifts in consumer confidence
 - Cost of development and construction
 - Changes in tax laws
 - Availability/cost of capital and mortgage financing
- Conclusions/recommendations should be reviewed should any major changes in the above occur

BACKGROUND AND OBJECTIVES

Background

RCLCO was retained to provide a market feasibility analysis and development recommendations for a proposed new mixed-use project that would serve as the downtown area for the town of Belville.

Objectives

Understand and provide:

Level of opportunity for each land use, including residential, commercial, hospitality and marina;

Target market audiences by each use;

Product types for each land use as well as development intensity, size, price, and mix recommendations;

Achievable positioning and absorption of each product type in the market;

Total square feet offered and potential phasing of the project;

Critical success factors in execution of the project.

METHODOLOGY

Site Analysis

Identify levels of opportunity and potential positioning through attributes of site and relationship to market.

Local and regional access and visibility
Character and type of surrounding developments
Proximity of regional attractions/destinations, services, and employment
Water/natural orientations

Market Depth

Understand target markets and supportable units/SF based on current and future market growth and demonstrated demand.

Depth of overall market demand for both for-rent and for-sale residential products based on population and socioeconomic characteristics, market preferences, and demonstrated demand
Increased demand from household growth expectations
Support for new retail, office, and hospitality development based existing unmet need in the market, projected growth, and other macro and micro level trends in the region

Competitive Market Analysis

Understand opportunities in the market in relationship to competitive supply.

Evaluation of comparable new and existing residential, retail, and office, hotel and marina developments in the Belville/Brunswick County area
Determine types of products and the correlating number of units, size, price, positioning, absorption and phasing

Recommendations/Market Position

Advise on critical success factors for the town center, creating a set of recommendations that responds to the analysis undertaken

DISCUSSION POINTS

- ▶ SITE ANALYSIS & OPPORTUNITY STATEMENT
- ▶ ECONOMIC & DEMOGRAPHIC OVERVIEW
- ▶ FOR-SALE RESIDENTIAL
- ▶ APARTMENTS
- ▶ RETAIL
- ▶ OFFICE
- ▶ HOTEL
- ▶ MARINA

DIRECT HIGHWAY ACCESS/FRONTAGE, WATERFRONT LOCATION ARE STRONG ADVANTAGES FOR DEVELOPMENT AT SITE

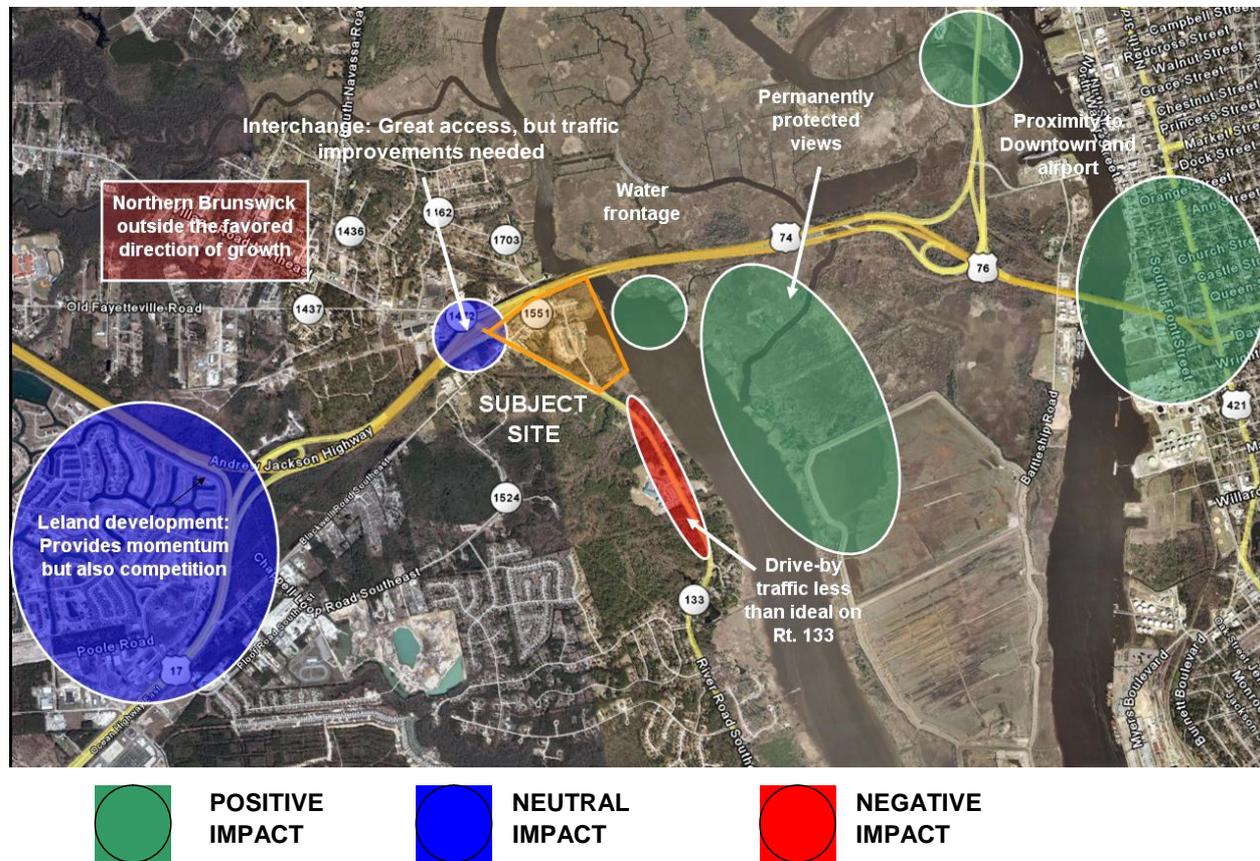


Image courtesy of Google Earth

- ▶ Preeminent regional access via 17/74/76 provides
 - Immediate connection to downtown Wilmington, but limited connection to New Hanover County
 - Good ingress/egress comparable to most other destinations in the greater Wilmington area
- ▶ High visibility with location at bridge very favorable for all land uses - hotel, retail, office, and residential
- ▶ Waterfront location on Brunswick River provides unique opportunity to develop water-oriented mixed-use downtown center
- ▶ Recent efforts to take over pay-by-hour lodging establishments and clean up the area are helping to improve seedy perception

REGIONAL TERRAIN & LOCATION OF COMPETITIVE CENTERS INDICATES GREATEST OPPORTUNITY TO SERVE NORTH BRUNSWICK COUNTY

Limited access across the river to New Hanover County and lack of proximity to tourist demand drivers make North Brunswick County the more likely primary demand generator for a town center at the subject site.

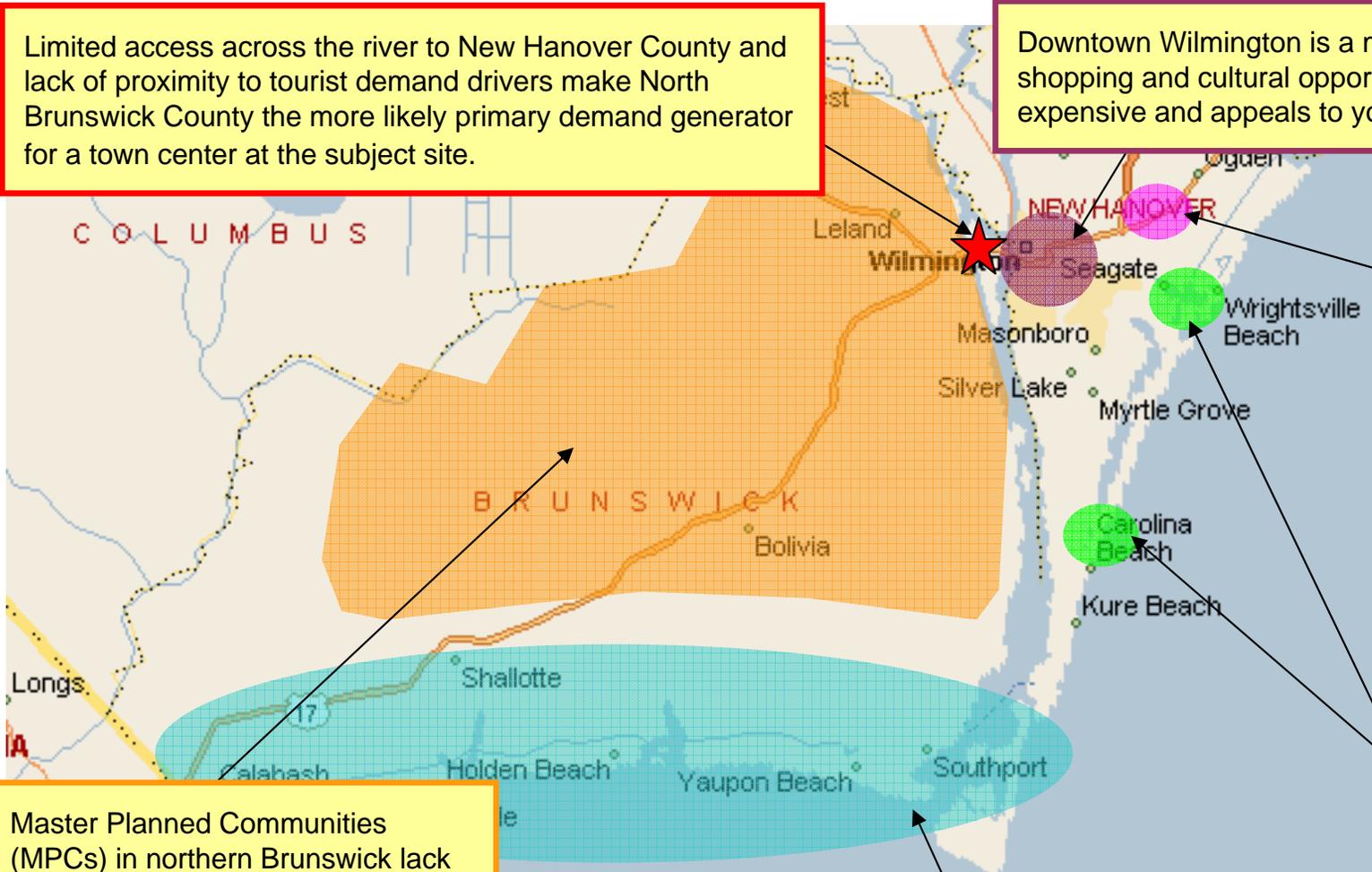
Downtown Wilmington is a more urban environment with shopping and cultural opportunities that is increasingly expensive and appeals to young singles and retirees.

Mayfaire Town Center provides the only town center experience in Wilmington. Mayfaire has been quite successful as a shopping destination for New Hanover residents Wilmington beach tourists.

Wrightsville Beach and other New Hanover coastal locations are heavily seasonal and driven by tourism and second home buyers.

South Brunswick County is increasingly related to beach-driven tourism, especially towards the western boundary of the county, which heavily relates to Myrtle Beach.

Master Planned Communities (MPCs) in northern Brunswick lack a town center project and town center type of residential products that have been successful in New Hanover County.



STRONGEST OPPORTUNITIES ARE FOR SUB-REGIONAL DESTINATION TOWN CENTER

- ▶ **The success of Mayfaire Town Center demonstrates the market acceptance and demand for an integrated and mixed-use environment in the Wilmington area**
 - Project not well integrated, suffers from design flaws
 - Yet highly successful even without significant orientation
- ▶ **North Brunswick County currently lacks a mixed-use project or the type of residential products that are offered in a town center format**
 - Opportunity to provide the type of premium priced attached product found only in downtown Wilmington or at Mayfaire at a slightly less expensive price point
 - Area remains underserved for hotel rooms
 - Planned and proposed horizontal town center at Brunswick Forest will still leave a void for additional retail and dining
- ▶ **Limited access to New Hanover County make accessibility from destinations other than downtown Wilmington limited**
 - Can capture some spillover demand from downtown Wilmington for value and congestion alternative for housing and lodging
 - Wrightsville Beach and other beach area tourists/second home owners likely to have minimal impact



A STRENGTHS & CHALLENGES ASSESSMENT INDICATES A STRONG OPPORTUNITY TO DEVELOP ALL CURRENTLY PLANNED LAND USES AT THE SITE

LAND USE	STRENGTHS	CHALLENGES	OPP LEVEL	DEVELOPMENT OPPORTUNITY	ANNUAL ABS.	MARKET VALUE ¹
APARTMENTS	Proximity to employment cores; Nearby projects performing well, lack of town center apartments	Few significant challenges. Area around site less established today	HIGH	240 apartments: \$0.90 - \$1.00/SF (avg/month)	162	\$24MM
CONDOS	Excellent views of water and downtown Wilmington; Prime land in pricier New Hanover County becoming scarce; Lack of well-integrated mixed-use projects in market	Existing product types are more value-oriented in Brunswick County; Need to influence buyers to trade-off for less established location	HIGH	338 Retail or Stand-alone Condos: \$330K, 1,070 SF; 70 Waterview Condos: \$523K, 1,480 SF; 70 Waterfront or Penthouse Condos: \$793K, 1,980 SF	92	\$203MM
OFFICE	Excellent regional access; limited competition; land for new office development in New Hanover County becoming scarce	Non-traditional but emerging office core with limited history; Need to influence tenants to trade off for less established location	MED	154,000 SF: \$22/SF	~25K SF	\$28.2MM
RETAIL	High levels of residential development in N. Brunswick; high visibility location; unique water orientation with marinas provide a superior anchor and attraction	Lack of surrounding retail to provide critical mass; somewhat challenged highway visibility with current site layout; existing footprint caps may make it difficult to provide second anchor for site	MED/ HIGH	127,700 SF \$22-\$24.50/SF	45K SF	\$28.5MM
HOTEL	Brunswick County is currently undersupplied; high traffic highway location; waterfront amenity of the river; proposed Convention Center across river can provide spillover demand	North Brunswick currently has four planned and proposed hotels	HIGH	250 Keys, ADR \$150	65% occupancy	N/A

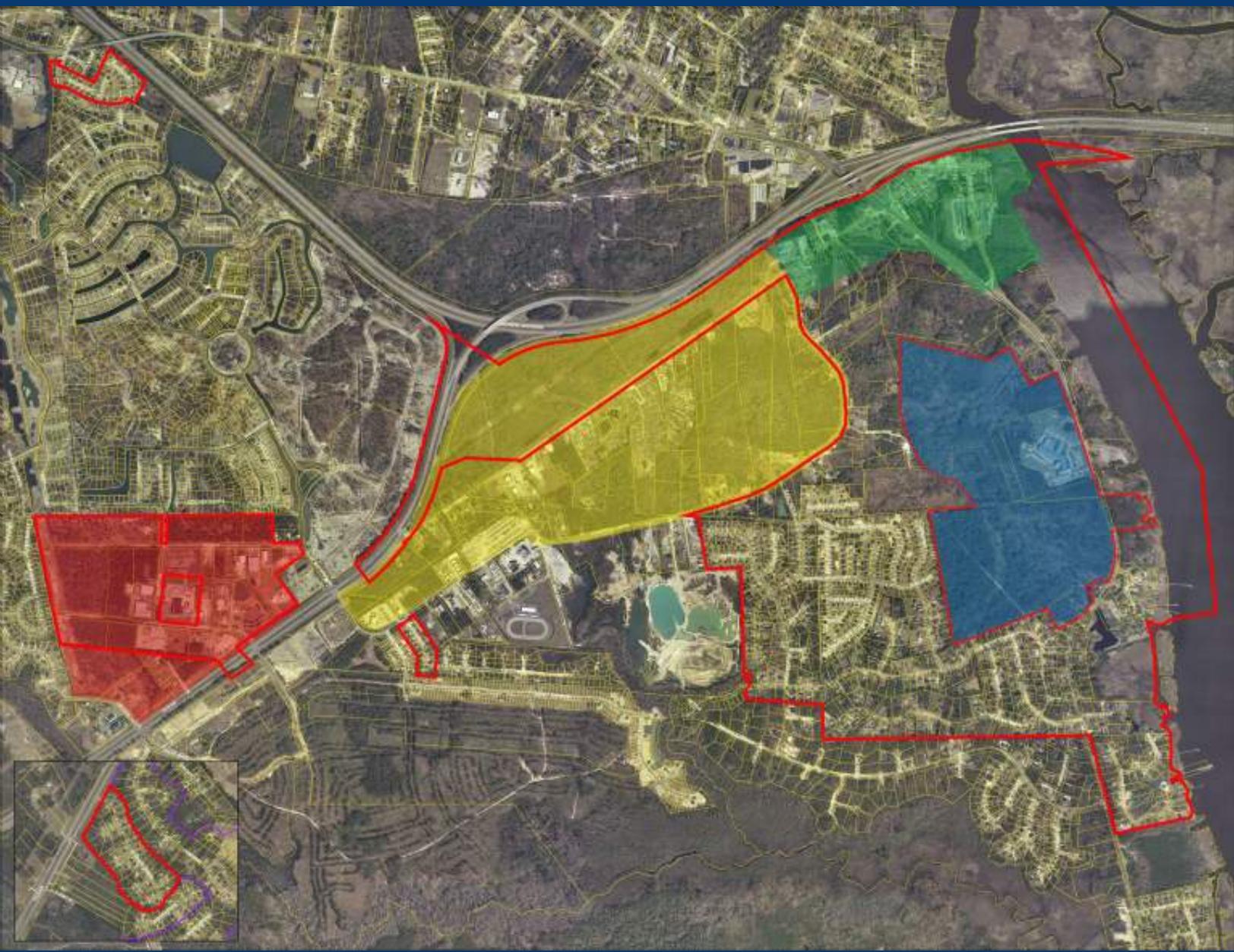
¹ Market values presented are mid-range and are based on net income generated and, to the extent available, comparable sales in the Coastal Southeast US.

A MASTER PLAN FOR THE Town of Belville



THE LAWRENCE GROUP
TOWN PLANNERS & ARCHITECTS

Existing Conditions



Water, Water Everywhere



The Planning Process

Public Kickoff

Tuesday, February 6th

Kickoff Presentation and Public Workshop

Planning and Design Charrette

Monday, February 19th

- 9 am Design Team Arrives –
Charrette Studio Setup
- 10 am Walking/Driving Tour of
Community by Design Team
- Noon Lunch Presentation of Market
Study by Rose & Associates &
Meeting with Town Board and
Planning Board
- 2 pm Major Property Owners/
Downtown Area
- 4 pm Town Services
- 7:00 pm Pin-up/Daily Update Session

Tuesday, February, 20th

- 9 am Utilities
- 11 am Transportation/NC DOT
- Noon Lunch
- 1 pm Environmental Protection
- 3 pm Parks/Open Space/Recreation
- 7:00 pm Public Workshop – Open

Wednesday, February, 21st

- 9 am Real Estate Agents/Developers
- 11 am *Open*
- Noon Lunch
- 1 pm Zoning Ordinance
- 3:30 pm Town Planning Board
Workshop
- 5:30 pm Pin-up/Daily Update Session

Thursday, February, 22nd

- 9 am *Open*
- Noon Lunch
- 1 pm Preparation for Closing
Presentation
- 6:00 pm Closing Presentation

The Planning Process



The Planning Process



The Planning Process

Input: Current Reality + Vision



Output: Implementable Strategic Plan

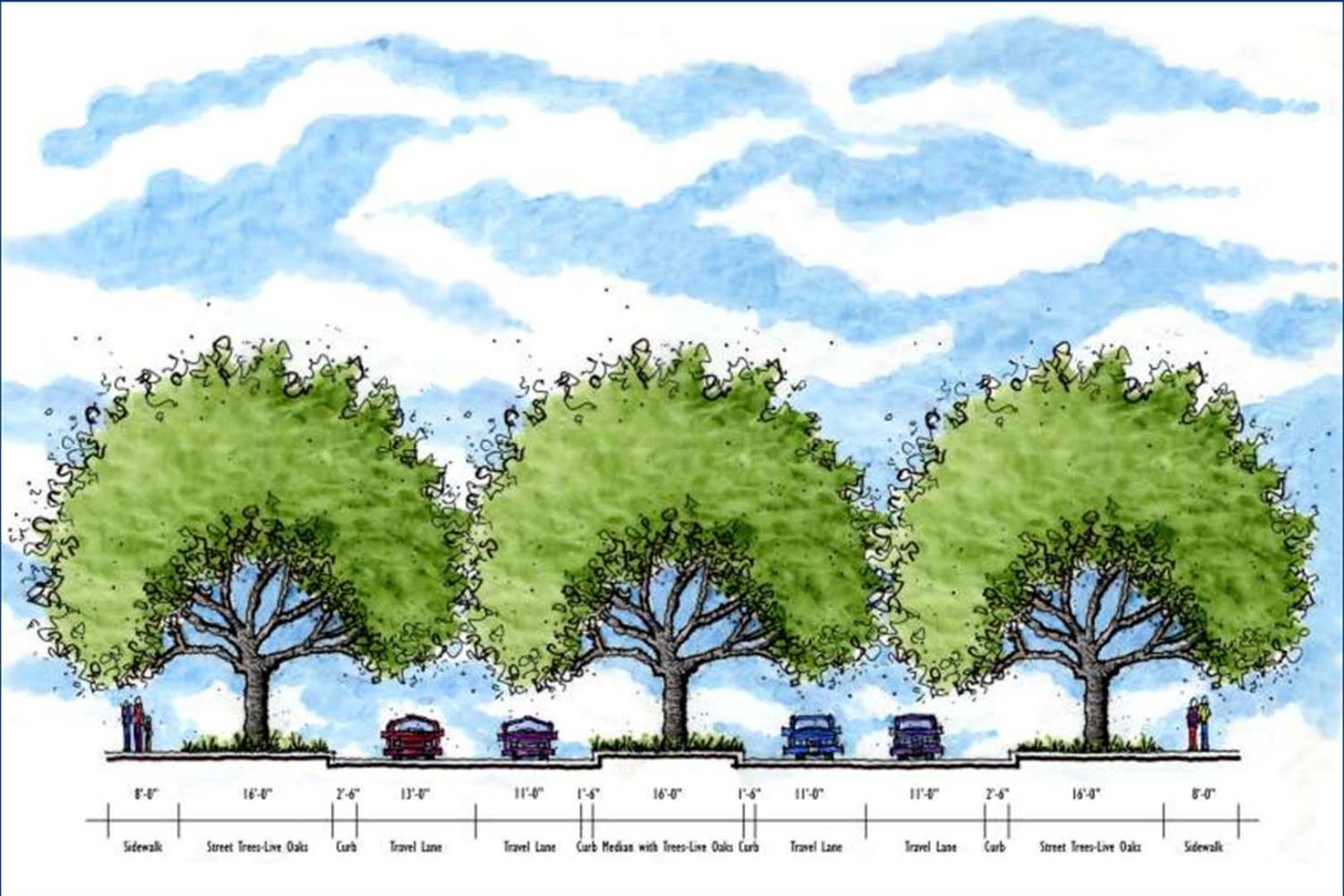
Transportation Framework



A New Interchange



Proposed NC 133/River Road



Looking North on NC 133



Area 1: Lincoln Business Park



Appendix 7
Gateway Destination Examples





SHOP
DINE
DANCE
PLAY...
STAY.



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[Shopping](#) | [Dining](#) | [Nightlife](#) | [Entertainment](#) | [Accommodations](#) | [Property Map](#) | [Groups](#) | [Media News](#) | [Contact Us](#)

HALLOWFEST
Oct, 26, 2008 12-4 pm

Property Map

[More Events](#)

To view a larger version, click on the map. You must have [Adobe Acrobat Reader](#) installed to view the map. The downloadable map is approximately 2.8 MB.



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Creating community through people, parks, & programs.

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Discovery Island Waterpark is **CLOSED**

417 Baldwin Rd., Greenville, SC 29607

(at Southside Park located between Mauldin and Sipsonville)

Amenities: water park, concession café, party rental coconut huts

Servicios: parque acuático, café, alquiler de chozas para fiestas

Discovery Island is closed for the season

963-4345



[Click For More Information](#)

For information on our party rentals or exclusive rentals call 963-4345

**Stay Informed
with our
Newsletter**

Enter Your Email
Address Here:

Please Remember

Discovery Island Water Park supplies free of charge a limited number of ride tubes and USCG approved flotation devices. Other such devices are not permitted in the park

General Guidelines:

- Children 12 years and under must be accompanied by a responsible adult or guardian at all times
 - No outside food, drink, coolers, water toys, water wings, or floats are allowed inside the park.
 - Swim diapers or snug fitting plastic pants must be worn by non-potty trained children
 - No glass containers in or around pool
 - No running, rough playing or diving anywhere in the park
 - Appropriate swimwear required.
- No thong suits allowed. Swimwear must cover undergarments. Cut-off jeans, swimming suits with buckles or rivets and other metal or sharp objects are not allowed
- Smoking is permitted in designated area only

Refund & Rain Policy:

- All admission sales are final.
- Discovery Island will only honor Free Passes, Discovery Bucks, Season Passes and Rain Checks from our current season.
- Discovery Island Water Park may temporarily close for lightning or other inclement weather. If the Water Park closes for more than one continuous hour and you have been in the park for less than two hours, you may get the yellow copy of your receipt initialed and use as a rain check for another day at no charge during our current season.

Caribbean Café

Enjoy smoothies, burgers, ice cream and more at our poolside concessions.

No outside food or beverages allowed.



DIRECTIONS

I-385 North – Take Standing Springs Rd. Exit #30. Turn right onto Standing Springs Rd. Go through intersection of Standing Springs Road and Neely Ferry Rd. Turn right at the next light onto Baldwin Rd. Park is one-half mile on left.

I-385 South – Take Standing Springs Rd. Exit #30. At end of ramp, go straight through light. Count this as stoplight #1 and continue to third light. Turn right at 3 rd light onto Baldwin Rd. Park is one-half mile on left.



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Discovery Island Waterpark
 Greenville, S.C.

2006 Highlight



SUBMITTED BY:

Water Technology, Inc. in Beaver Dam, Wis.

PROJECT COST: : \$2.7 million
QUICK TOUR:

- ◆ 4,036-square-foot leisure pool with zero-depth entry
- ◆ Splash play structure with pools and falls
- ◆ Floor geysers
- ◆ 2,282-square-foot activity/plunge area
- ◆ 277-linear-foot lazy river
- ◆ 4,884-square-foot river/plunge area
- ◆ Enclosed body slide and open tube slide
- ◆ Shade, grass turf and concessions

When it came to meeting community aquatic needs, the Greenville County Recreation District decided to make a big splash.

The local pool was in need of major repair and did not support the explosive growth in the area. Officials planned to renovate the facility to include recreational swimming, swimming lessons, water aerobics, lap swimming and swim team meets. After a facility evaluation, the original proposal evolved into the Discovery Island Waterpark, an aquatic center unlike anything else in a 100-mile radius.



PHOTO COURTESY OF WATER TECHNOLOGY, INC.

"They were looking for something very family-oriented within the budget," says Bill Bornick of Water Technology, Inc. in Beaver Dam, Wis. "They wanted to utilize their facilities and amenities but add excitement, too."

When guests enter Discovery Island, they are greeted with a blaze of primary colors. The designers chose the bright hues for the umbrellas, play structures and slides because studies show children react best to red, yellow and blue.

All of the signage throughout the park is consistent and has the park's wave logo. Its mascot, Clyde the Dolphin, appears on each sign that informs guests about the park's rules, including height restrictions and admonishments about running on the pool deck.

The facility boasts all the must-have pool features, with the local paper referring to the park as "organized chaos that makes kids shriek with happiness," a description that couldn't be more accurate.

The design keeps swimmers flowing from one element to the next, which helps alleviate congestion in certain areas. For example, when guests come down the enclosed tube slide, they land in a splashdown pool connected to the lazy river and immediately are transported to a new attraction.

Discovery Island has proven so popular, it reaches its 800-person capacity on a daily basis with daily averages at 1,200 guests. It enjoyed more than 118,000 visitors in its first season, shattering initial expectations of 65,000 people. The impressive attendance has been bolstered, in part, by a reasonable admission price. It costs about \$5 or \$6 to enter the park, cheaper than taking the family to a movie—and a lot more fun.





PHOTO COURTESY OF WATER TECHNOLOGY, INC.

"That daily facility attendance never declined," says Greenville Recreation Facilities Director Ray Dunham. "It was more than we expected, and we were initially overwhelmed but made operational adjustments to accommodate the demands."

Given the high demand, there is a constant clamoring for prime seating. Park officials turned this need into a revenue-generator by renting out three large shade structures located along the deck pathways and turf. The structures—called the coconut huts—can be rented in two-hour time blocks and are booked constantly throughout the day.

Greenville recreation officials knew the park would prove popular and encouraged a design that would allow for further expansion. Water Technology designed the deck areas, renovated the concession building, turf and support buildings to provide for future growth.

"We pack a lot into a small area," he says. "It has a little something for the entire family."

FOR MORE INFORMATION:

WWW.GCRD.ORG/BROCHURE/2005WINTER/8_9_10_SWIMMING.PDF

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Senator Bob Martin Eastern Agriculture Center

Bring your event here or just be a spectator for one of the exciting equine shows and other events at the top-rated Bob Martin Eastern Agricultural Complex. Events range from ATV and motocross races to truck pulls, circuses, boat shows, concerts and, of course, some of the best equestrian events around!

Facility FAQs

- Multi-purpose, well-lighted, heated and ventilated Indoor Coliseum (108,000 sq. feet) with permanent seating for 2400 and additional seating available.
- Includes 10,000 sq. feet of vending concourse.
- Arena floor can be groomed for a huge variety of events
- Fully enclosed 75' x 125' paddock with attached 120' x 240' covered arena
- Two outdoor practice rings; 120' x 240' each
- Three permanent outdoor lunging rings
- Four barns with 296 permanent stalls
- 14 wash bays with hot and cold water
- Space for 60 portable stalls under permanent roofing of covered ring aprons
- All barns are equal distance from coliseum
- 168 acres of sandy loam soil
- Truck, trailer and 100 RV parking sites with water and electricity close to barns
- RV Dump stations
- Plenty of parking
- Two phases of a three-phase plan for the center are now completed.
- Outstanding Meeting Center accommodating up to 1100 people for meetings, conferences, reunions and other events is part of the same complex, with it's own convenient parking area.
- Facilities located just off US Hwy 64 (exit 512) less than 2 miles from Williamston, NC 27846 and in close proximity to excellent hotels, restaurants and bars--some with weekend entertainment, gas stations, shopping centers, historical landmarks and the beautiful Roanoke River.

For more information about the outstanding facilities offered here or for event schedules, call or email the contacts below or visit the Web site. 252-792-5111 or 252-792-5802 or visit the

Calendar of Events at the Bob Martin Center,
Web site of the Bob Martin Center

Contacts:

Amy Gibbs amy.gibbs@ncmail.net

Local: 252-792-5802

Toll Free: 1-888-792-5802

2900 NC 125 South,
Williamston, NC

While you're in Williamston, you may want to visit the **Martin Community College Equine Technology Program**. MCC is the only community college in the nation offering an Associate degree in Equine Technology. Visit the **MCC Equine Technology Program** Web site.

n

Martin County Travel & Tourism Development Authority

Located in the historic Asa Biggs House | P.O. Box 382, 100 East Church Street | Williamston, NC 27892
Phone: 800-776-8566 | 252-792-6605 | Email: tourism@visitmartincounty.com

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Appendix 8
Charlotte Area Transit System Plans





Charlotte Area Transit System

- [Center City](#)
- [North Corridor](#)
- [Northeast Corridor](#)
- [Southeast Corridor](#)
- [West Corridor](#)
- [Planned Passenger Facilities](#)
- [Gateway Station](#)

[Departments / CATS / Rapid Transit Planning / Southeast Corridor](#)

SOUTHEAST CORRIDOR

The proposed Southeast Corridor Rapid Transit Project is one of Charlotte's five rapid transit corridors. The Southeast Corridor extends approximately 13.5 miles from Charlotte's Center City to the border of Mecklenburg and Union Counties, terminating at Central Piedmont Community College's Levine Campus.

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- ▶ [Proposed Stations](#)
- ▶ [Proposed Alignment](#)
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Center City
 North Corridor
 Northeast Corridor
 Southeast Corridor
 West Corridor
 Planned Passenger
 Facilities
 Gateway Station

[Departments](#) / [CATS](#) / [Rapid Transit Planning](#) / [Southeast Corridor](#) / SE - Description

Description

Southeast Corridor Rapid Transit and Highway Project

The proposed Southeast Corridor Rapid Transit Project is one of Charlotte's five rapid transit corridors. The Southeast Corridor extends approximately 13.5 miles from Charlotte's Center City to the border of Mecklenburg and Union Counties, terminating at Central Piedmont Community College's Levine Campus.

During the DEIS, two modes of transportation were evaluated for the Southeast Corridor, Bus Rapid Transit (BRT) and Light Rail Transit (LRT). In September 2006, the Metropolitan Transit Commission (MTC) reviewed study results from the DEIS and adopted the following motion that:

1. BRT be selected as the Locally Preferred Alternative in the SE Corridor; and
2. Implementation of BRT be delayed for at least five years to allow for the future reconsideration of Light Rail (LRT) in the SE Corridor; and
3. That CATS' staff is directed to take the necessary steps in design and engineering with NCDOT on the Highway Project (Independence Boulevard) so that light rail could be considered in the future.

Some of the key factors that influenced the decision were:

- Greater service area and frequency and hence higher projected ridership
- Best cost-effectiveness / lowest capital cost

The 13.5-mile BRT alternative would operate from the Charlotte Gateway Station to the CPCC Levine Campus. Sixteen stations have been identified, including eight with park-and-ride facilities, with a total of 3,350 spaces. The BRT would operate at 3-minute headways in the peak period, and 10-minute headways in the off-peak times and weekends in order to provide the capacity required to meet projected demand. Thirty-three BRT vehicles would be required to operate this service.

The North Carolina Department of Transportation (NCDOT) is planning to complete the conversion of Independence Boulevard to an expressway from the end of the current expressway at Albemarle Road to I-485. The next phase of the NCDOT highway project is to extend the expressway from Albemarle Road to Conference Drive by 2014. CATS and NCDOT are currently finalizing the environmental planning for this portion of Independence Boulevard. This planning will allow the widening of Independence from Albemarle Road to Conference Drive to begin in 2010. As part of this project, accommodations will be made to allow for future implementation of either BRT or LRT. The existing busway that currently ends just prior to Sharon Amity Road will be extended as part of the highway widening project.

On November 15, 2006, the MTC set the course for rapid transit for the next 24 years in Mecklenburg County by approving the 2030 Corridor System Plan and prioritizing the four remaining transit corridors and the streetcar with a schedule for advancement into design and construction. The phased schedule for implementation of the transit projects was driven by several factors, including the capacity of the transit sales tax to build and operate the improvements. Increased construction costs and stricter requirements for securing federal funding also contributed to extending the timeframe for transit improvements in all corridors. The schedule proposed for the

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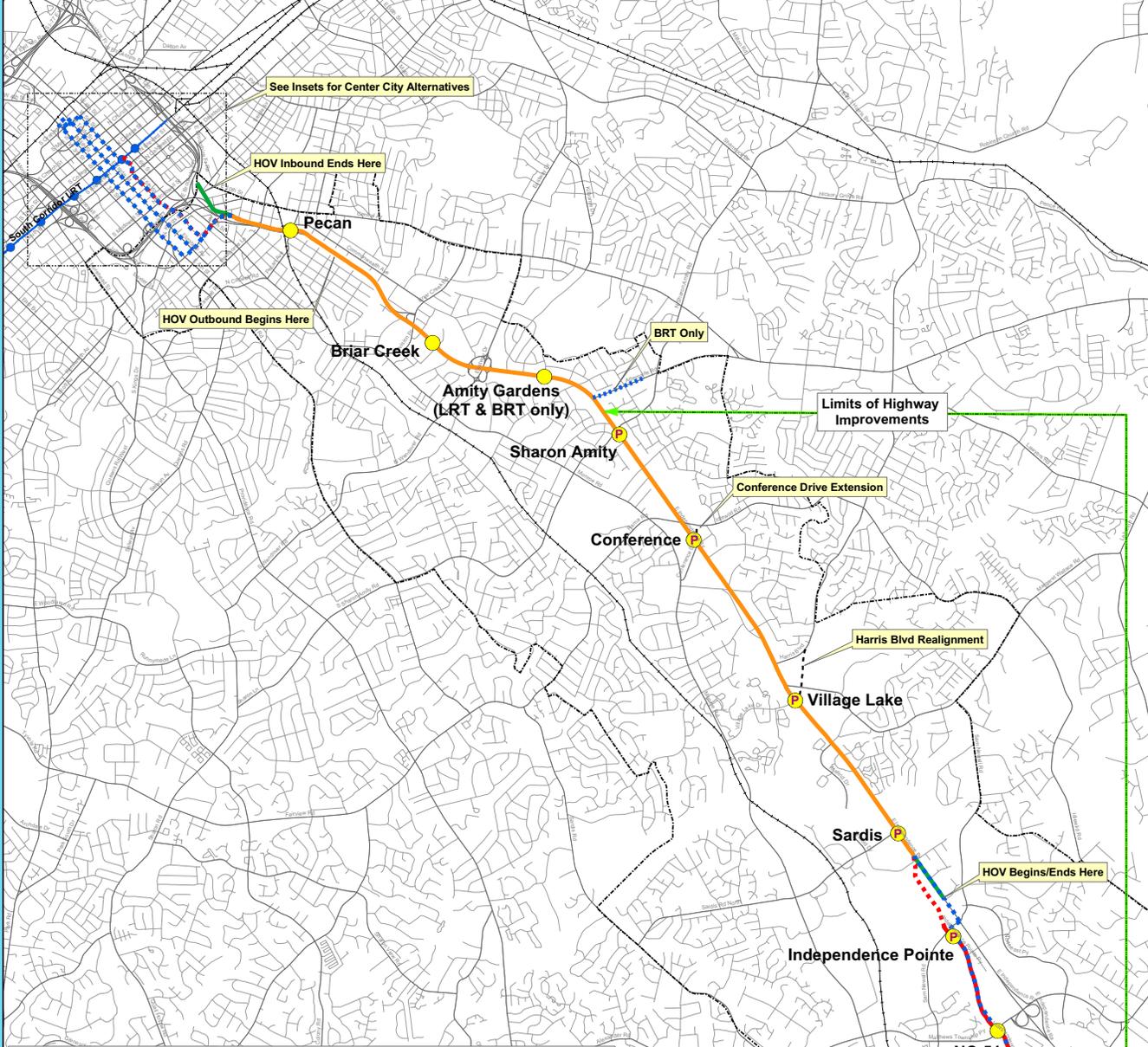
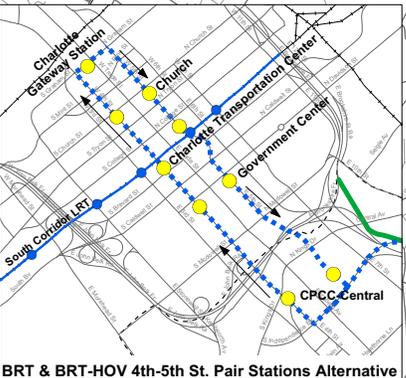
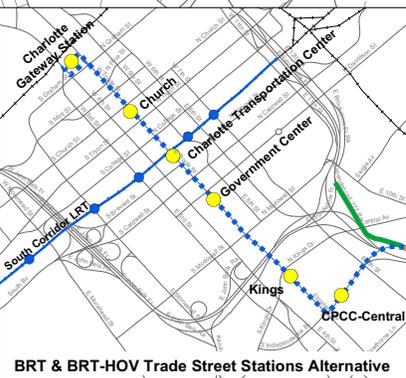
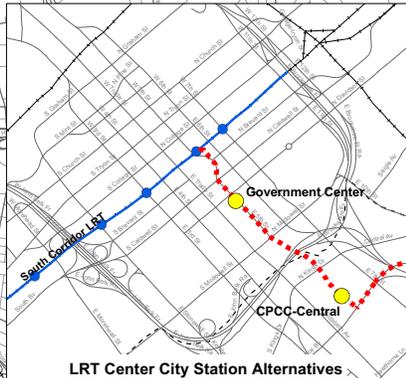
Southeast Corridor project is as follows:

- Phase I 2016 begin design / 2022 complete construction
- Phase II 2018 begin design / 2024 complete construction
- Phase III 2020 begin design / 2026 complete construction

[Project Goals and Objectives](#)



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Southeast Corridor
BRT - LRT - BRT/HOV Alignment Options
and Station Alternatives
 City of Charlotte, North Carolina
 June 2006



Legend

- Station Locations
- P Station Locations (with Park and Ride)
- LRT, BRT, BRT-HOV Shared Alignment
- BRT Alternative Alignments
- HOV Alternative Alignment
- LRT Alternative Alignment
- South Corridor LRT
- New Streets
- Study Area Boundary



Source: Mecklenburg County's Demographic Employment & Land Development (DELD) and 2005 Field Investigation

SOURCE: MECKLENBURG COUNTY'S DEMOGRAPHIC EMPLOYMENT & LAND DEVELOPMENT (DELD) AND 2005 FIELD INVESTIGATION

Appendix 9
NC Site Search
Union County Sites





34.00 Acres Available

Union County

Wingate Site
Highway 74 East

Wingate , NC 28104

Former Use: Greenfield
Zoning: Highway Corridor

Price: \$49,467 Per Acre Lease:
Terms: Cash

No Picture currently available for this property!

Access

In City Limits: No
Closest Hwy/Interstate: Highway 74
Miles to Hwy/Interstate: 1.00
Access Road: Highway 74
Rail Service: Yes
Closest Airport(s):
Barge Site: No

Utilities

Electrical Service: Duke Energy
Water Service: Town of Wingate
Wastewater Service: Town of Wingate
Natural Gas Service:
Telecom Service: Alltel

Location Map



Click on Location Map to Zoom In

Contacts

State: Tiffany McNeill
EMail: tmcneill@nccommerce.com
Business/Industry Division
Phone: 919 733 4977, Fax: (919)733-4563

State Regional: Ron Leitch
EMail: rleitch@nccommerce.com
Charlotte Regional Office
Phone: (704) 547-5738, Fax: (704) 547-5747

Regional Partnership: Kenny McDonald, VP. Economic Development
EMail: kmcdonald@charlotteregion.com
Charlotte Regional Partnership
Phone: (704) 347-8942, Fax: (704) 347-8981

Local: Mr. Maurice Ewing
EMail: mdewing1@ctc.net
Union County Partnership for Progress
Phone: 704-291-9860, Fax: 704-283-3861

Property ID: CHR-19511 Last Updated: 8/10/2007



62.00 Acres Available

Union County

Marshville Site I
Stegall Road

Marshville , NC 28103

Former Use: Greenfield
Zoning: Industrial

Price: \$25,000 Per Acre Lease:
Terms:

No Picture currently available for this property!

level, elevation of site 510 ft. MSL to 530 ft. MSL, Environmental Screening Inspection has been done on the site and is available upon request.

Access

In City Limits: No
Closest Hwy/Interstate: Highway 74
Miles to Hwy/Interstate: 1.00
Access Road: Highway 74
Rail Service: Yes
Closest Airport(s): Monroe Regional Airport
Barge Site: No

Utilities

Electrical Service: Duke Energy
Water Service: Union County Public Works
Wastewater Service: City of Marshville
Natural Gas Service:
Telecom Service: Alltel

Location Map



Click on Location Map to Zoom In

Contacts

State: Tiffany McNeill
E-Mail: tmcneill@nccommerce.com
Business/Industry Division
Phone: 919 733 4977, Fax: (919)733-4563

State Regional: Ron Leitch
E-Mail: rleitch@nccommerce.com
Charlotte Regional Office
Phone: (704) 547-5738, Fax: (704) 547-5747

Regional Partnership: Kenny McDonald, VP. Economic Development
E-Mail: kmcdonald@charlotteregion.com
Charlotte Regional Partnership
Phone: (704) 347-8942, Fax: (704) 347-8981

Local: Mr. Maurice Ewing
E-Mail: mdewing1@ctc.net
Union County Partnership for Progress
Phone: 704-291-9860, Fax: 704-283-3861

Property ID: CHR-19510 Last Updated: 8/10/2007



70.00 Acres Available

Union County

Goldmine Generation II
Corporate Center Drive

Monroe , NC 28110

Former Use: Greenfield
Zoning: General Industrial (G-I)

Price: \$27,000 Per Acre Lease:
Terms:

Corner Property with nice topography

Access

In City Limits:	Yes
Closest Hwy/Interstate:	US 74
Miles to Hwy/Interstate:	2.00
Access Road:	Corporate Center Drive
Rail Service:	No
Closest Airport(s):	Char-Monroe Exec Airport
Barge Site:	No

Location Map



[Click on Location Map to Zoom In](#)



[Click on image for enlarged view.](#)

Utilities

Electrical Service:	City of Monroe
Water Service:	City of Monroe
Wastewater Service:	City of Monroe
Natural Gas Service:	City of Monroe
Telecom Service:	Verizon

Contacts

State: Tiffany McNeill
Email: tmcneill@ncommerce.com
Business/Industry Division
Phone: 919 733 4977, Fax: (919)733-4563

State Regional: Ron Leitch
Email: rleitch@ncommerce.com
Charlotte Regional Office
Phone: (704) 547-5738, Fax: (704) 547-5747

Regional Partnership: Kenny McDonald, VP. Economic Development
Email: kmcdonald@charlotteregion.com
Charlotte Regional Partnership
Phone: (704) 347-8942, Fax: (704) 347-8981

Local: Mr. R. Christopher Platé
Email: cplate@monroenc.org
Monroe Economic Development
Phone: 704-282-5780, Fax: 704-282-5788

Property ID: CHR-19825 Last Updated: 5/20/2008



100.00 Acres Available

Union County

Old Hickory Business Park
Indian Trail - Fairview Road

Indian Trail , NC 28079

Former Use: Greenfield
Zoning: Light Industrial

Price: \$60,000 Per Acre Lease:
Terms: \$60,000/acre; minimum of 2-3 acre parcels.



Click on image for enlarged view.

Gently Rolling; The extension of water and sewer lines to the property is scheduled for completion by March 1, 2002.

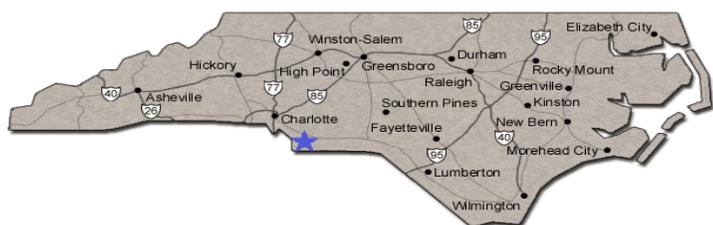
Access

In City Limits: Yes
Closest Hwy/Interstate: US 74
Miles to Hwy/Interstate: 1.00
Access Road: US 74
Rail Service: No
Closest Airport(s): Monroe Municipal
Barge Site: No

Utilities

Electrical Service: Union Power Cooperative
Water Service: Union County
Wastewater Service: Union County
Natural Gas Service: North Carolina Natural Gas
Telecom Service: Alltel

Location Map



Click on Location Map to Zoom In

Contacts

State: Tiffany McNeill
Email: tmcneill@nccommerce.com
Business/Industry Division
Phone: 919 733 4977, Fax: (919)733-4563

State Regional: Ron Leitch
Email: rleitch@nccommerce.com
Charlotte Regional Office
Phone: (704) 547-5738, Fax: (704) 547-5747

Regional Partnership: Kenny McDonald, VP. Economic Development
Email: kmcdonald@charlotteregion.com
Charlotte Regional Partnership
Phone: (704) 347-8942, Fax: (704) 347-8981

Local: Mr. Maurice Ewing
Email: mdewing1@ctc.net
Union County Partnership for Progress
Phone: 704-291-9860, Fax: 704-283-3861

Property ID: CHR-19509 Last Updated: 8/10/2007



201.00 Acres Available

Union County

Quad Site
ML King Jr. Blvd

Monroe , NC 28110

Former Use: Greenfield
Zoning: General Business

Price: \$77,325 Per Acre Lease:
Terms: Price range from \$45,000/acre to \$125,000/acre.

The tracts combine to make a great rail site with over 2,455 feet of rail frontage and 2,800 of road frontage. The land is gentle sloping with some flood plain on the southern portion of the tract.



Click on image for enlarged view.

Access

In City Limits: Yes
Closest Hwy/Interstate:
Miles to Hwy/Interstate: 1.00
Access Road: ML King Jr. Blvd
Rail Service: Yes
Closest Airport(s): Monroe Regional Airport
Barge Site: No

Location Map



Click on Location Map to Zoom In

Utilities

Electrical Service: City of Monroe & Duke Power
Water Service: City of Monroe
Wastewater Service: City of Monroe
Natural Gas Service: City of Monroe
Telecom Service: Verizon

Contacts

State: Tiffany McNeill
Email: tmcneill@nccommerce.com
Business/Industry Division
Phone: 919 733 4977, Fax: (919)733-4563

State Regional: Ron Leitch
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Email: kmcdonald@charlotteregion.com
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Phone: (704) 347-8942, Fax: (704) 347-8981

Local: Mr. R. Christopher Platé
Email: cplate@monroenc.org
Monroe Economic Development
Phone: 704-282-5780, Fax: 704-282-5788

Property ID: CHR-19827 Last Updated: 4/28/2008

Appendix 10
NC Rural Center for Economic Development
Directory of Small Town Resources (Table of Contents)



Welcome to the Small Towns Resource Directory

The Small Towns Initiative was launched by the Rural Center in the fall of 2005 to help restore vitality to North Carolina's distressed small towns, especially those in rural areas experiencing economic hardship posed by economic restructuring, devastation from natural disasters and persistent poverty. In developing the initiative, the center conducted research to identify resources that would provide small town leaders with vital information on community and economic development issues, technical assistance and financial support. The Small Towns Resource Directory is the result of that research.

The directory is designed so that small town leaders can find the help they need on a wide range of issues and topics, including governance and management, leadership development, planning, design, downtown revitalization, housing, historic preservation, building reuse, brownfields redevelopment, infrastructure, transportation, environment and land use, water resources, tourism, and other topics. The center searched for resources that would prove highly relevant to small town leaders, and those that primarily target and benefit small towns. The directory does not represent an exhaustive inventory of all the resources available to small towns.

The directory includes profiles of state and federal agencies, nonprofit groups, the university sector, and state, local and private organizations. Each profile provides contact information and a description of services and resources, including financial resources, information, and technical assistance services. Selected publications have also been noted. Also included in the directory are descriptions of grant programs under various funding agencies and organizations. Please note that funding guidelines are subject to change periodically, so be sure to check with the agency or organization for current guidelines and procedures.

The information in the directory will be available online in February 2006 on the Rural Center's website at www.ncruralcenter.org. The directory will be located in the Small Towns Initiative section.

The Rural Center will add resources to the directory as the Small Towns Initiative is implemented. To include additional resources that would be helpful to small town leaders, or to offer comments on the resource directory, contact the Rural Center at: Small Towns Initiative, N.C. Rural Economic Development Center, Inc., 4021 Carya Drive, Raleigh, NC 27610.

Table of Contents

Federal Resources:

Appalachian Regional Commission	3
Environmental Protection Agency	6
Federal Emergency Management Agency	9
U.S. Department of Agriculture	
Agriculture Marketing Service	12
Cooperative State Research, Education, & Extension Service	14
Economic Research Service	17
Natural Resources Conservation Service	20
Resource Information Center	22
Rural Development Office.....	24
U.S. Department of Commerce	
Economic Development Administration	31
National Telecommunications & Information Administration.....	34
U.S. Department of Health & Human Services	

Administration for Children & Families	35
Health Resources & Services Administration (Office of Rural Health Policy) ..	37
U.S. Department of Housing & Urban Development	
Office of Community Planning & Development	40
U.S. Department of Justice.....	43

State Resources:

e-NC Authority	47
North Carolina Clean Water Management Trust Fund.....	49
North Carolina Department of Agriculture & Consumer Services.....	50
North Carolina Department of Commerce	
Business & Industry Division.....	52
Commerce Finance Center.....	55
Division of Community Assistance.....	57
Division of Employment & Training	61
Division of Tourism, Film, & Sports Development	63
Economic Development Information System.....	65
North Carolina Department of Cultural Resources	
North Carolina Arts Council.....	66
Office of Archives & History	68
State Historic Preservation Office.....	69
State Library of North Carolina.....	72
North Carolina Department of Environment & Natural Resources	
Division of Coastal Management.....	73
Division of Forest Resources	75
Division of Land Resources	77
Division of Parks & Recreation.....	79
Division of Pollution Prevention & Environmental Assistance	81
Division of Water Quality.....	83
Division of Water Resources.....	85
North Carolina Construction Grants & Loans Section.....	87
North Carolina Department of Health & Human Services	
Office of Economic Opportunity	88
Office of Research, Demonstrations, & Rural Health Development	89
North Carolina Department of State Treasurer	
State & Local Government Finance Division.....	90
North Carolina Department of Transportation	91
North Carolina Employment Security Commission	
Economic Development Administration	92
North Carolina Housing Finance Agency.....	94
North Carolina State Data Center	96
North Carolina State Energy Office	97

University Resources (State and National):

Cornell University	
Cornell Local Government Program.....	101
East Carolina University	
Regional Development Services.....	102
Elizabeth City State University	
Community Development Program.....	104
Harvard University	
Government Innovators Network.....	105
Mississippi State University	
The Carl Small Town Center.....	106
North Carolina State University	

Center for Urban Affairs & Community Services	107
Cooperative State Research, Education, & Extension Service	109
Institute for Emerging Issues.....	111
University at Albany, State University of New York	
Center for Technology in Government	112
University of Minnesota, Morris Campus	
Center for Small Towns.....	113
University of North Carolina at Chapel Hill	
Center for Urban & Regional Studies	114
Frank Hawkins Kenan Institute of Private Enterprise.....	115
Institute of Government	116
North Carolina Rural Health Research & Policy Analysis Center.....	118
Western Carolina University	
Center for Regional Development	119
Nonprofit Resources (State and National):	
American Public Works Association	123
Aspen Institute	125
Center for Rural Affairs	127
Community Solutions Network	128
Conservation Fund, The	129
FoRENC	131
Foundation Center, The.....	133
Golden LEAF Foundation	135
HandMade In America.....	137
Heartland Center for Leadership Development.....	139
Housing Assistance Council.....	141
International City/County Management Association.....	143
International Economic Development Council	145
Local Government Commission	147
Local Government Environmental Assistance Network	149
National Association of Towns & Townships.....	151
National Center for Small Communities	152
National Charrette Institute,The	154
National Civic League	156
National League of Cities.....	158
National Trust for Historic Preservation	160
National Trust Main Street Center.....	163
North Carolina Association of County Commissioners.....	165
North Carolina Center for Public Policy Research	167
North Carolina Chapter of the American Planning Association	168
North Carolina Chapter of the American Public Works Association.....	170
North Carolina League of Municipalities	171
North Carolina Rural Community Assistance Project, Inc.	173
North Carolina Rural Economic Development Center, Inc.	174
North Carolina Rural Water Association	178
North Carolina Tobacco Trust Fund Commission.....	180
Preservation North Carolina	181
Public Technology Institute.....	182
Rural Community Assistance Partnership, Inc.....	184
Small Towns Alliance	186
Smart Growth Network	188
Southern Growth Policies Board	189
Southern Rural Development Center	191

Z. Smith Reynolds Foundation, Inc.	193
Private Sector Resources:	
American City & County Magazine	197
CharretteCenter, Inc.	199
Downtown Research & Development Center.....	201
e-Podunk	202
Governing.com	203
Municipal Code Corporation	205
PreservationDirectory.com	206
Local Resources:	
Lead Regional Organizations.....	209
North Carolina County Cooperative Extension Offices	212
North Carolina Partnership for Economic Development Regional Offices	219
Index	221

Appendix 11
NCEDA Economic Development Handbook



ECONOMIC DEVELOPMENT HANDBOOK

Making North Carolina's
Economy Competitive



ECONOMIC DEVELOPMENT HANDBOOK

Making North Carolina's Economy Competitive

C O N T E N T S

Preface	2
Introduction to Economic Development	3
Why North Carolina Is Involved	4
History	4
The Need for Economic Development Programs	6
Companies and Communities Must Compete	7
Participants	8
Local Developers	8
State Developers	9
Regional Developers	10
Economic Development Allies	11
The Role of Elected Officials	12
The Process	14
Strategic Planning	14
Strategies	15
Tools	17
The Need for Product	18
How a Project Happens	19
Financial Incentives	21
Current Financial Assistance Programs	22
Resources	27
Editorial Committee	31

T A B L E S

NC Employment Change by Sector, 1992-2002	5
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ECONOMIC DEVELOPMENT HANDBOOK:

Making North Carolina's Economy Competitive

PREFACE

Entering the 21st century, North Carolina faces numerous challenges. Atop the list is how to preserve and enhance the standard of living for North Carolina's more than 8 million residents amid a rapidly changing economy, in which the state must compete for its share of domestic and foreign investment against not only other southeastern states, but also the entire U.S. and the world.

When it comes to economic development, the state has a strong record. Its long list of assets — including its exceptional leadership, mid-Atlantic location, moderate climate and renowned workforce — have made it an outpost for many of the world's best known companies. Equally important are hundreds of less well-known names and some young upstarts that are key contributors to the state's economic base. The keys to attracting, retaining and seeking private sector firms are a myriad of people, programs, organizations, tools and policies. Many outside this professional network lack a complete understanding of the participants and the processes that work to strengthen our economy through good times and bad.

The North Carolina Economic Developers Association (NCEDA) has prepared this document as a basic introduction to economic development. It is offered as a resource for legislators, policymakers, community leaders and interested citizens across the state who share NCEDA's desire to keep North Carolina competitive in the quest for new jobs and investment in the coming decades.

We hope that you find this guide valuable and that you will join us in advancing innovative solutions for providing high-quality jobs for all North Carolina citizens.

October 2003

INTRODUCTION TO ECONOMIC DEVELOPMENT

Economic development is a means toward an end, and that end involves ensuring the highest standard of living possible for those residing in a given place. What drives economic development is private business: businesses of all sizes, starting up or relocating, or expanding in an area. They may be involved in manufacturing, distribution, agriculture, transportation, research & development, business services or other activities. From their impact springs a range of related commercial activities and services. Residential growth also occurs, bringing a wide variety of retail, consumer service, recreational, tourism and other commercial enterprises.

The "ripple effect" of new jobs is tremendous. The analytical model used by the N.C. Department of Commerce to gauge economic impact shows, for example, that every 100 new electronics manufacturing jobs generate an additional 116 jobs as a result of indirect and induced economic activity. The model estimates that every \$5 million in investment spurs another \$4.4 million in local spending. New jobs and investment in turn generate income, sales and property tax revenues for local and state governments to spend on crucial public services that help create a strong business climate.

Economic development can be defined as activities and programs aimed at improving local, regional, state and national economies by:

- > attracting or creating investment to expand the tax base; and
- > increasing jobs, wages and personal incomes.

These efforts produce other highly desirable outcomes. One example is the broadening of the community's leadership base as new companies bring in new executives and entrepreneurs who participate in various local organizations and programs. Another example is the social capital provided by new companies in the form of philanthropy and community volunteerism.

Economic development is conducted by a network of professionals using an array of tools designed to create and sustain a strong business climate.

WHY NORTH CAROLINA IS INVOLVED

HISTORY

Economically, North Carolina has undergone considerable change over the past 300 years. Since the early settlers, North Carolina prospered in trade, fishing and farming. As new railroads and highways began crisscrossing the state, the economy shifted toward other types of business and industry. The Piedmont Triad became the focus of manufacturing; the Triangle emerged as a center for government and higher education; and Charlotte established itself as a financial and distribution hub.

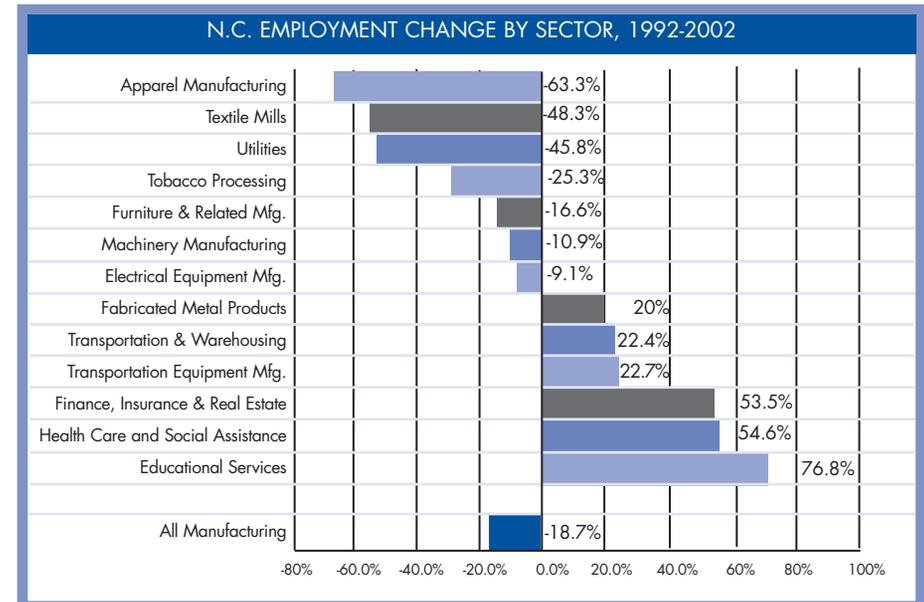
In the 1950s, a milestone in North Carolina’s economic development occurred as Governor Luther Hodges, and a handful of business leaders, purchased acreage between Raleigh and Durham that would become Research Triangle Park (RTP). By the late 1960s, RTP became a world model of a successful technology park that is affiliated with the state’s research universities. At the same time, North Carolina experienced a rapid expansion in its traditional industries of textiles and furniture as manufacturing jobs moved south. Tobacco farming and manufacturing were also strong.

North Carolina has benefited from visionary leadership, and the government and the private sector have worked well together to make the state attractive to new businesses. The state’s initiatives included the expansion of the North Carolina Community College System and free workforce training for new and existing industry, and the construction of an outstanding highway network. Businesses could easily get workers trained and move their product to market. Until recently, these measures, along with a consistent push to maintain a pro-business regulatory environment, resulted in North Carolina being regularly ranked #1 in the nation as a destination for industry by “Site Selection” magazine, a leading economic development journal.

The recent trend of declining employment in traditional industries has been catastrophic and North Carolina’s reputation as an economic development leader is now threatened. Agriculture, long a leading economic engine, suffers from a sector-wide decline that is impacting large and small growers. Tobacco, in particular, has suffered as tobacco production and cigarette manufacturing have declined substantially since the 1997 national Master Settlement Agreement. Similarly, erosion of manufacturing jobs — particularly in textiles, apparel and furniture — has adversely impacted urban and rural areas alike across the state.

However, as Table One shows, the state's economy does have sectors that are growing substantially, including health, education and business services, and even some value-added manufacturing sectors. Still, the total number of manufacturing jobs has declined nearly 20 percent in North Carolina in the last 10 years as part of the restructuring of the national economy. Especially in competing for the smaller number of manufacturing projects, the state's cities, towns and rural communities all require economic development tools to remain competitive with their counterparts across the U.S.

Table One illustrates the change that is taking place in our state economy. Source: U.S. Bureau of Economic Analysis



THE NEED FOR ECONOMIC DEVELOPMENT PROGRAMS

Every state in the country has an economic development program working to recruit and retain industry. There are also over 2,500 cities, towns and counties across the United States with full-time economic development professionals competing for new business.

With more and more communities developing aggressive economic development strategies, North Carolina must boost its competitive position. This requires more than a commitment to the programs that led to past success; it requires a renewed effort to remain innovative in the face of new economic realities.

In the past, North Carolina's ideal location, climate, quality of life, outstanding educational institutions, excellent roads and positive business climate made the state a leader in economic development. But as other states have begun recognizing the value of economic development, they have implemented aggressive new programs for recruiting industry. For example, Alabama, Virginia and South Carolina have adopted incentive policies that have resulted in their selection by the likes of Mercedes, BMW, Michelin and Motorola. States that fell behind the Southeast in recent years — including Ohio, Pennsylvania and even New York — have also developed successful new initiatives. Many site selection consultants do not even consider North Carolina for large, capital-intensive projects because the state is not competitive with incentive programs offered by some other Southeastern states.

Local communities are also developing programs to make them more attractive as business destinations. These include financial incentives, public/private partnerships to develop business parks and speculative buildings, and community programs focused on the needs of business. The result is that there are many more communities seeking development than there are projects. That, in turn, results in increasingly aggressive competition for every project.

COMPANIES AND COMMUNITIES MUST COMPETE

Companies know they bring value to their host communities, value that is easily measured by the new jobs, higher wages and additional tax revenue they produce. But they also know that in order to increase jobs, they have to be profitable and that the bottom line is critical. American companies now operate in a global economy, competing with firms across the world. In many other countries, the costs of doing business are sharply lower. The result is that most U.S. firms now must constantly seek new ways to add value and operate more efficiently in order to stay in business.

The ways that North Carolina can help companies add value include:

- > **A PRODUCTIVE LABOR FORCE** — educated, skilled people who are the products of strong schools. They must understand how to be productive, quality-focused and innovative, and use technology and teamwork for continuous improvement.
- > **ACCESS TO INNOVATION** — research and development that generates new technologies, products and processes that help firms establish new niches.
- > **ACCESS TO MARKETS** — good roads, rail, airports, ports and high-speed internet connection in order to move products and services quickly and safely to a larger number of consumers.

The factors that North Carolina provides that can help operating and capital costs include:

- > Free, customized worker training programs (skilled labor is many companies' #1 concern)
- > Minimal state and local tax rates
- > Reduced government regulations that slow down business investment
- > Adequate and affordable utility infrastructure — water, sewer, electricity, natural gas and modern telecommunications (access to broadband Internet and digital wireless networks are increasingly crucial in today's site selection)
- > Access to raw materials (transportation is again critical)
- > Low-cost construction for sites and buildings
- > Job development investment grants, tax credits for R&D, etc.

PARTICIPANTS

Economic development professionals work in a diverse array of agencies and organizations and represent a range of functional interests. They may be employed at the:

- > municipal level
- > county level
- > multi-county level
- > regional level
- > state level

They are employed by an equally diverse assortment of entities:

- > public
- > quasi-public
- > private
- > non-profit

In most cases, they all are united by a common purpose of serving the needs of industrial clients and advancing the economic development objectives set forth earlier. These organizations, along with the professional network itself, are constantly reshaping to meet new and changing demands. There is also an ongoing effort to minimize instances of confusion and overlap in economic development. What follows is an effort to list the participants and clarify their roles.

LOCAL DEVELOPERS

Local economic developers may work for:

- > a chamber of commerce or other private organizations such as a Committee of 100
- > a public/private entity which may be chartered as an economic development corporation
- > a semi-autonomous economic development commission
- > a county or city government

Each model offers its own advantages and disadvantages given the local business environment, the level of financial resources available to fund the program and the overall nature of governance driving the community. In some cases, multiple counties and municipal governments have partnered to maintain joint programs.

Local developers lead in the production of promotional and informational materials, making sure that the latest data about the community are available and easy to obtain. Such community profiles also contain information about existing business and industry, and local developers strive to keep local business leaders informed about their programs. It is also their responsibility to ensure that available sites and buildings are listed in local, state and regional databases. Local development professionals also stay current on all relevant state and local laws, regulations and ordinances. That means keeping in touch with city council members, county commissioners, state legislators and other elected officials, whose help, at some point, will be needed. Local developers interface closely with allies (described below) on issues like product development, infrastructure, workforce readiness and project financing.

Local development professionals are at the center of the economic development process, serving a project leadership role and ensuring that stakeholders at all levels work as a team. Their facilitative role is particularly important today as the timeline for industrial projects has collapsed from 18-24 months to as little as 4-6 months. For example, in selecting Edgecombe County for an \$85 million project, representatives of QVC Corporation made their initial contact with development officials in February 1999 and formal announcements were made in July.

STATE DEVELOPERS

States also administer economic development organizations. These may be units of state government or freestanding private commissions. In North Carolina, the Department of Commerce is the lead agency for statewide economic development initiatives. Commerce officials are often the first point of contact with potential industrial clients. They help match community assets (sites, buildings, workforce availability and skills, etc.) with client site selection criteria and provide information from communities to the client. Other state agencies playing important supportive roles in economic development include:

- > the Office of the Governor and his Economic Development Board
- > the General Assembly
- > the North Carolina Community College System
- > the Department of Revenue
- > the Department of Transportation

- > the Department of Environment and Natural Resources
- > the University of North Carolina system
- > the Board of Science and Technology
- > the N.C. Biotechnology Center

Commerce performs a national and global marketing and outreach role, and its programs and resources are designed to prompt business leaders to consider North Carolina. This is done through the state's five overseas offices, attendance at industry trade shows and other promotional initiatives.

Commerce maintains regional economic development offices that collaborate closely with the regional partnerships (described below) in marketing and client-handling activities. Commerce also maintains regional offices across the state to support the needs of existing businesses on such matters as facility expansions, state regulatory programs and trade issues.

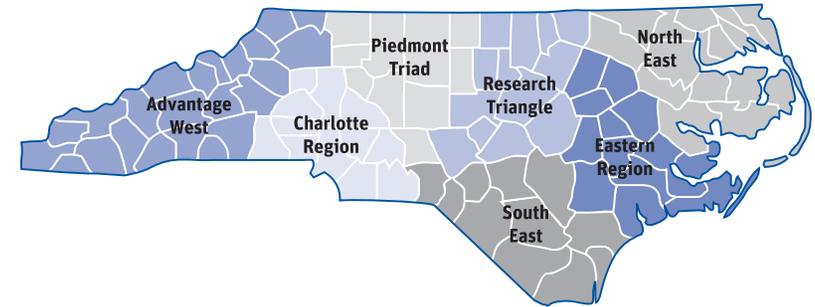
REGIONAL DEVELOPERS

In recent years, North Carolina has emerged as a leader in regional economic development programs, with regional organizations supporting development in every county. Regional organizations coordinate national and international marketing programs customized to market the unique assets of their respective regions, and they also work closely with local developers to address regional economic issues, promote product development, provide research assistance and publicize transportation, infrastructure, labor force and other improvements. Seven public-private regional development partnerships serve North Carolina:

- > ADVANTAGE WEST-NC — Fletcher. Supports 23 surrounding counties;
- > CHARLOTTE REGIONAL PARTNERSHIP — Charlotte. Supports 12 surrounding counties;
- > NORTH CAROLINA'S EASTERN REGION — Kinston. Supports 13 surrounding counties;
- > NORTH CAROLINA'S NORTHEAST — Edenton. Supports 16 surrounding counties;
- > NORTH CAROLINA'S SOUTHEAST — Elizabethtown. Supports 11 surrounding counties;

- > PIEDMONT TRIAD PARTNERSHIP — Greensboro. Supports 12 surrounding counties; and
- > RESEARCH TRIANGLE REGIONAL PARTNERSHIP — RDU Airport. Supports 13 surrounding counties.

Although these organizations are regional in scope, they all receive some state financial support. They all leverage some additional private sector and local government resources.



ECONOMIC DEVELOPMENT ALLIES

Additionally, there are many private commercial interests and other local government interests involved in economic development. All collaborate on some level with the development programs described previously. These allies include, among others:

- > banks and financial institutions
- > electric utilities
- > natural gas companies
- > railroads
- > real estate brokerage and development firms
- > construction contractors
- > architects and engineering firms
- > telecommunications companies
- > consultants
- > community colleges
- > universities
- > K-12 school systems
- > councils of governments
- > environmental firms
- > chambers of commerce
- > law firms
- > entrepreneurship councils

THE ROLE OF ELECTED OFFICIALS

Elected officials — be they federal, state, county or municipal — must strongly support economic development if it is to succeed. In North Carolina, state legislators, county commissioners and city council members support professional organizations that handle economic development by providing resources, and by keeping the state and community an attractive destination for business. This requires public investment. Elected officials should view economic development as a tool for creating quality jobs and investment, generating tax revenue, maintaining a skilled workforce and improving the standard of living of North Carolina residents.

The key responsibilities of elected officials are:

1. SUPPORTING PROFESSIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS

— Whatever their organizational structure, the main elected body — city councils, county commissioners and the General Assembly — provide the financial resources necessary to support economic development at the state, regional and local levels. Examples of costs incurred by economic development organizations are:

- > administration
- > travel
- > client recruitment
- > advertising/marketing
- > staff
- > technology
- > research
- > office space

2. INVESTING IN INFRASTRUCTURE

— In locating new facilities, industries need basic infrastructure — water, sewer, natural gas, electricity, telecommunications (including high-speed Internet and digital wireless), rail, industrial parks and highways. Building it requires investment — tax dollars — from elected bodies. Thusly, infrastructure is an investment because it creates a tangible asset for the community and provides industries with the tools they need. Officials serving in a statewide capacity work to effect legislation that ensures a competitive infrastructure across North Carolina.

Eighty percent of all companies seeking a location search for an available building in which to locate, according to data compiled by the North Carolina Department of Commerce. Communities can

respond to this reality by investing in shell buildings, which can be customized to fit companies' exact needs and the company can save time and money. Local governments can provide funding to construct the facility or partner with organizations such as "Committees of 100," banks and private developers to build them. Local governments can also work together to develop higher-end regional business parks and share the tax revenues.

3. PROVIDING INCENTIVES

— Incentives, whether they are offered at the state, regional or local level by public or private entities, are simply the investments necessary to be competitive in attracting new industries and retaining existing ones. Like any investment, they must offer a suitable rate of return to the public or private investor. With the guidance of economic development organizations, elected officials make investment decisions that influence the site selection choices companies make. *(This issue is discussed further in a later section.)*

4. HELPING EXISTING INDUSTRIES

— Existing firms create the majority of new jobs, and elected officials encourage their economic development organizations to maintain a strong existing industry program to promote retention and expansion. State-sponsored programs that have a strong record in helping companies become more competitive — including the Industrial Extension Service and the Small Business and Technology Development Centers — should be supported with sufficient resources as well.

5. BUILDING A STRONG BUSINESS ENVIRONMENT

— Elected officials support their states, counties and communities in creating an appealing overall business climate. In addition to organization, infrastructure, industrial parks, shell buildings and incentives, this includes promoting workforce development, quality education from kindergarten through post-secondary, reasonable tax and utility rates, and planning. It also means advocating for a regulatory environment that does not impede a business's success and offering support structures that assist firms in complying with all necessary regulations.

A high level of government support for these activities demonstrates a commitment to existing and prospective industries. It shows that elected officials are serious about improving their communities and that they are partners with businesses, not adversaries.

THE PROCESS

STRATEGIC PLANNING

Sound planning is key to successful economic development and the initial step in that process involves building an organizational team to cultivate the attitudes and develop the programs that are needed. Individuals with experience and expertise in the following areas are invaluable to any economic development team:

- > Promotion/Marketing
- > Labor/Workforce Training
- > Sites and Available Buildings
- > Transportation
- > Community Services
- > Community Financing
- > Land Use Planning/Permitting
- > Taxes
- > Utilities and Telecommunications
- > Construction and Insurance
- > Industrial Resources
- > Incentives
- > Public Relations
- > Science and Technology

Six questions highlight key points for consideration by community or regional leaders planning for economic development:

1. WHERE HAS THE COMMUNITY (REGION) BEEN? This requires a review of economic growth patterns and trends.
2. WHERE IS THE COMMUNITY (REGION) NOW? This requires taking account of the community's assets and liabilities, as well as identifying major challenges and opportunities.
3. WHERE IS THE COMMUNITY (REGION) GOING? This requires projecting a future economic base based on present trends.
4. WHERE DOES THE COMMUNITY (REGION) WANT TO GO? This is a goal-setting step that requires narrowing down the types of businesses it wants to attract and foster.
5. HOW DOES IT GET THERE? This is where plans are made and actions taken. It requires an action plan that includes strategies for accomplishing the goals established previously.
6. MEASURING PROGRESS. A thorough and ongoing evaluation of progress is required.

STRATEGIES

Listed below are five economic development strategies. Depending on whether a community or region is urban or rural, oriented toward manufacturing, agriculture, tourism or another industry segment, its strategic priorities will vary. Each involves leveraging resources and partnerships effectively, and each requires the energy, skill and commitment of local communities.

1. RETAINING AND EXPANDING EXISTING FIRMS

The first strategy is to support existing businesses — i.e., keep them in place and encourage their growth. Expansions can occur as local businesses:

- > increase sales of their current products;
- > discover and create innovative niche products;
- > diversify and begin marketing new products;
- > discover and move into new export markets;
- > lower their cost of production through the adoption of innovative technologies or more efficient processes; or
- > consolidate from other operations.

Commerce's staff in Existing Industry and International Trade are key partners for industry retention efforts. Staff of the Industrial Extension Service at North Carolina State University provide training and technical assistance to manufacturers in applying cutting-edge technologies and processes to increase profitability and therefore stay and grow in North Carolina.

Ensuring the success and satisfaction of existing business and industry is important in recruiting new firms to an area, as business leaders considering a new location frequently seek the input of business leaders already there. If existing industry is not happy with its community, new industry will not come.

2. IMPROVING LOCAL LINKAGES

This strategy seeks better ways to link local sellers with local buyers. The more a dollar circulates in the local economy before moving out, the more wealth will be generated. A survey of spending patterns of

institutional buyers in the community — the hospital, school district and governments (municipal, county, state or federal), for example — could identify new market opportunities for local businesses. Networking among businesses within an industry cluster can identify new customers and suppliers as well as suggest partnerships for technology or workforce development.

The strongest industry clusters in the state, such as biotechnology and financial services, feature strong and frequent linkages among firms that also compete with each other. Industry associations often act as facilitators of these networks.

3. CREATING NEW FIRMS & PROMOTING ENTREPRENEURSHIP

Communities can actively help new businesses get started. New businesses are created to sell products or services to replace those “imported” into the area or to provide products and services that have never been available locally. New businesses are also started to produce new products. Many communities also form investment funds or loan programs to support local start-ups, and business incubators are an effective mechanism for channeling business expertise to potential entrepreneurs. Colleges and universities often spin off new companies through technology transfer, as well as support entrepreneurs through research and training.

The Small Business Centers (SBCs) at each community college offer training and counseling in business start-up. The Small Business and Technology Development Centers (SBTDCs) at each UNC campus help small business owners at various stages of their firm’s growth. Councils for entrepreneurs are now active in at least three regions of the state.

4. CAPTURING NEW DOLLARS

There are numerous ways to capture outside dollars. A few examples include:

- > A local government receiving a grant from another governmental entity, non-profit or similar organization;
- > An out-of-state investor purchasing local property and building an office park;
- > A transplanted retiree spending monthly Social Security and pension benefits on local goods and services; and
- > A family of tourists renting a beach house for the week.

5. RECRUITING NEW FACILITIES

Although the volume of industry recruitment has decreased in the last 20 years, communities still want to be poised to attract new industrial or corporate facilities for firms engaging in manufacturing, research & development, transportation, distribution, technology and other activities. These announcements create an excitement and momentum for other initiatives. Recent North Carolina examples include:

- > The selection by Flextronics, Inc. of Franklin County for its design and manufacturing facility focused on optical technology;
- > General Dynamics Armament and Technical Products, Inc.'s corporate headquarters relocation from Vermont to the Charlotte/Mecklenburg area, as well as establishing a light manufacturing operation for aerospace and defense products;
- > The selection of Forest City by Mako Marine International, Inc. and SeaCraft Boats, a division of Tracker Marine Group, for a new boat manufacturing facility;
- > GOJO Industries' selection of Laurinburg to manufacture PURELL® Instant Hand Sanitizer;
- > Carolina Technical Plastics Corporation's selection of New Bern to produce plastic parts and components for home appliance manufacturers, particularly BSH Home Appliance Corp.; and
- > The choice of Raleigh-Durham by RH Donnelley, publisher of yellow pages directories, for its new corporate headquarters.

TOOLS

Communities and regions must appraise their assets and liabilities in order to be successful in growing and recruiting companies. The following questions must be answered to give a realistic assessment of a location’s likelihood of success at attracting new jobs and investment.

- > What types of firms find, or would find, a competitive advantage in the community?
- > Does the community have the workforce, infrastructure (highways, utilities), products (e.g., buildings, sites) and climate that business requires?
- > What barriers exist that may hamper a community’s ability to compete for new projects?

Driving these strategies is a list of marketing and promotional tools and activities. These must be in place if relocating and in-state industries are to be familiar with North Carolina's many advantages. Marketing messages should be unified, coordinated and complementary across counties, regions and the state. A place's assets may be shown through a combination of tools that include, among others:

- > PROSPECT VISITS — There is no better way to communicate than face-to-face.
- > WEB SITE — A high-quality Web presence should be both concise and easy to navigate.
- > NATIONAL MEDIA RELATIONS — Business executives read articles about various regional economies in business and trade publications.
- > DIRECT MAIL — Targets should include both likely prospects and consultants.
- > COMMUNITY DATA BOOKS — Should be customizable to fit a prospect's unique needs.
- > BROCHURES — Should be attractive and describe in detail the benefits of locating in the area.
- > PRINT ADVERTISING — There are numerous local, state and national publications geared toward industrial location searches.
- > TRADE SHOWS — Visibility is crucial in economic development.
- > LOCAL MEDIA — The public must be familiar with local economic development programs if support is to be expected.

THE NEED FOR PRODUCT

In today's quick turnaround economy, North Carolina must have product to sell when an industry is looking; therefore, it is critical to have existing industrial buildings and sites in place before prospects arrive in a community. Most clients request an available building rather than an undeveloped site because it saves them time and money. In some cases, the prospect likes the area but not the first building. Consequently, other "shovel ready" sites should be available with infrastructure in place, approvals and permits granted and site development ready to proceed. Initiatives such as the Certified Industrial Site (CIS) and Certified "Mega-site" programs are designed to ensure that a basic level of site readiness (e.g. zoning,

environmental surveys, grading, initial engineering work, infrastructure, etc.) exists prior to the arrival of corporate relocation professionals.

These are fundamental expectations made of communities by virtually all businesses early in the search. Incentives only come into play later in the process and are usually customized to meet client needs.

HOW A PROJECT HAPPENS

Projects can originate from many sources and can work through the system from many starting places. For example, an inquiry may begin as a result of an advertisement in a magazine, by word-of-mouth from a customer or supplier who is already located in North Carolina, or from a trade show. Prospects may call the local developer directly if they know exactly where they want to be, or a regional developer if they know their approximate target location. Often the inquirer will call the NC Department of Commerce first. The following is an example of how a project works through the system when starting with a general inquiry about North Carolina.

The inquirer may be a representative of the company itself or a site selection consultant. Their first call will usually be a request for information about communities that match the company's site selection criteria. The state developer who is assigned to the project then contacts the local developers in the communities that have the assets the company is seeking. The local developers submit proposals to the state developer who sends all of the community packages to the prospect. After several calls between the parties to clarify and gather additional information, if the client is still interested in one or more of the proposed locations in North Carolina, the state developer will schedule and coordinate a visit by the client to those communities. It is important to recognize that the company will have eliminated many of the proposed communities based on the information they receive in the proposals.

At this point in the process, the client is usually "comparison-shopping" among several states and many communities; consequently, the first visit is a critical point in the sales process. Generally, the client will be visiting several communities in one day. Thus, time is at a premium. Both the state and local developers must be prepared with the precise information the

client wants to view in that short time. From the company's point of view, the purpose of the visits is to eliminate most of the communities down to a "short" list of two or three with which they can further negotiate. Sometimes there is no visit at all until after the short list is developed, which puts more pressure on economic developers to have good Web sites and other marketing vehicles to tell their story when the company is screening out most communities.

Generally the state developer will be the primary contact with the prospect until the company picks a short list. Once the negotiations begin, the local developer takes the lead and is the primary contact and closer of the deal. During these negotiations, the local developer must call on all of his or her allies and resources for support and coordination. The terms and conditions that the company requests of the community during these negotiations may cover a broad spectrum of issues ranging from sites to schools to permits to financing to research partnerships. As in any negotiation, the local developer and his or her support team must know what the value of the project is, and the limits of the local investment to meet a targeted return. In this case, local investment means locally coordinated investment from all resources including public dollars from all levels within the state, combined with private dollars that might have an interest in the project.

One issue in the process that is often misunderstood is the need for confidentiality. Participants in the process must understand the needs of the company to maintain confidentiality, primarily because companies do not want their competitors to be made aware of strategic decisions such as new locations or expansions. Many communities have lost projects as a result of a confidentiality breach or premature press coverage.

The time frame for what has been described above can take years or weeks, depending on how fast the company is willing to make decisions. In today's competitive economy, the time is getting shorter and shorter. The participants in the economic development process must be prepared to be successful.

FINANCIAL INCENTIVES

All businesses make an investment in order to achieve a return. So too must states and localities if they are to be competitive for new industry.

Most costs associated with relocating a business occur in the first 18 months, and many economic development policies are now designed to help companies ramp-up new operations with minimal disruption and financial drain. The most successful transactions occur when the community and the company see the location as a win-win for both. Each makes an investment, divides the risks and shares the rewards.

Incentive policies at all levels must be measurable. Quantifiable results must be gathered to show that the community or the state has derived benefits that outweigh the cost of the incentives. "Claw-back" provisions must be included that require firms to reimburse incentive providers should they fail to meet agreed investment and jobs targets.

Far from being "corporate welfare," incentives are comparable to other key site selection factors such as access to skilled labor, adequate buildings and facilities and high-quality infrastructure in making a state or community the most cost-effective destination for industry. With firms seeking to maximize shareholder value, financial support from communities that genuinely bolsters the bottom line is a critical site selection criterion. Because site searches are largely a process of elimination, communities and states refusing to offer reasonable incentives are not viewed as serious about economic development and are frequently eliminated quickly from consideration by companies and site selection consultants.

State and local governments striving to capture their share of new jobs and investment offer long-term advantages to new and expanding firms, including a balanced menu of incentives that makes good economic sense. This means determining in advance the nature of tax benefits and supporting legislation needed, both of which may vary from location to location. In the end, any financial support for new or expanding industry must be predicated upon a targeted return on investment. Like any sound investment, incentives should more than pay for themselves in yielding additional jobs and investment and an expanded tax base.

CURRENT FINANCIAL ASSISTANCE PROGRAMS

North Carolina provides companies meeting certain requirements with financial assistance designed to lower the costs of doing business. The following programs are available as of October 2003. The amount of money available in each program is limited.

STATE PROGRAMS

The state's COMMERCE FINANCE CENTER (CFC) serves as a "one-stop" financial center for relocating companies and existing employers needing information and advice on financing alternatives in North Carolina. More information is available at nccommerce.com/finance/.

The JOB DEVELOPMENT INVESTMENT GRANT PROGRAM, enacted in 2002, offers grant funds for up to 15 companies per year that represent strategic investments for the state. An Economic Investment Committee, including the Secretaries of Commerce and Revenue makes the grant decisions. Grant amounts are based on a percentage (10–75 percent) of income tax that will be withheld on new jobs created.

In thinking about developing new sources of outside dollars, many communities try to develop or recruit companies that serve national or global markets, or those in "traded clusters." Firms that serve only local markets do not create as much of a multiplier or infusion of new outside dollars.

The WILLIAM S. LEE ACT, enacted in 1996 and amended since then, provides tax credits that may be taken against state income, franchise or gross premiums tax burdens. These credits are for job creation, investment, worker training, and research and development in any of the state's 100 counties, though benefit levels are calibrated based upon a county's level of economic distress. Counties are assigned a "Tier" ranking that ranges (poorest to wealthiest) from 1-5.

Additionally, the STATE DEVELOPMENT ZONE PROGRAM offers enhanced benefits to firms settling in one of over 50 development zones, which are typically impoverished areas located inside municipal limits.

The program gives an enhanced tax credit for jobs created in these zones. The credit per job is \$4,000 more than the amount it would otherwise have been for that county's tier level.

Subject to availability, ONE NORTH CAROLINA FUND grants may provide funding for the installation or purchase of new equipment, structural repairs, improvements or renovation of existing water, sewer, gas or electric utility distribution lines; equipment for existing buildings and/or new buildings. The company must agree to meet the hourly wage test as required for the William S. Lee Act and the local units of government must agree to provide matching financial assistance to the company.

THE NORTH CAROLINA SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM offers grants to local governments (municipal and county) for infrastructure projects involving a specific business that will create new jobs. In addition, when working with participating banks, loans may be made to private businesses to fund machinery and equipment, property or construction. Project activities must predominantly benefit persons living for the preceding 12 months in a low or moderate family income status.

The INDUSTRIAL DEVELOPMENT FUND (IDF) is available to assist the local governments of the most economically distressed counties in the state. An eligible county or city applies for the funds on behalf of a private manufacturing business located or locating in its jurisdiction. IDF funds may be used for the construction of water, sewer, gas and electric lines to the site or for the construction or repair of industrial buildings. Funds available for a single project are determined by multiplying the number of jobs committed to be created by \$5,000 up to a maximum of \$500,000 or the cost of the project, whichever is less.

The North Carolina Community College System's NEW AND EXPANDING INDUSTRY TRAINING PROGRAM (NEIT) is a national model for providing industry with customized training. The service is available to those firms creating at least 12 new jobs in the state. NEIT pays for instructors' wages and travel expenses (even if the trainer is a company employee), as well as classroom materials and suitable training facilities.

INDUSTRIAL REVENUE BOND (IRB) funds can be used only by a company engaged in some manner of manufacturing. IRB proceeds may be used only for land, building and equipment. The company must agree to pay its employees greater than or equal to the average weekly manufacturing wage of the county or the state average weekly manufacturing wage plus 10 percent.

The INDUSTRIAL ACCESS/ROAD ACCESS FUND is administered by the N.C. Department of Transportation. The program provides funds for the construction of roads to provide access to new or expanded industrial facilities.

BUSINESS ENERGY LOANS may be used by businesses for facilities or projects that demonstrate energy efficiency or the use of renewable energy resources resulting in energy cost savings.

THE RAIL INDUSTRIAL ACCESS PROGRAM provides grant funding to aid in financing the cost of constructing or rehabilitating railroad access tracks required by a new or expanded industry. Funding is contingent upon the expectation of a significant number of jobs created or capital investment made.

REGIONAL PROGRAMS

Each of the state's seven regional partnerships maintains its own set of policies and procedures for providing financial support for industrial projects. Some regions provide loans and grants. North Carolina's Eastern Region, for example, operates an incentive flex-grant fund that can allocate up to \$25,000 to counties in support of project expenses at the discretion of local development officials. In the past, these project expenses have included necessary site upgrades such as access roads and small-scale infrastructure and telecommunications improvements.

Similarly, companies relocating to one of North Carolina Southeast's 11 counties may be eligible for county-region matching grants equivalent to \$1,000 per new permanent full-time job up to a maximum of \$25,000. Awards are presented in a lump sum and may be used to offset costs of site development, shell building purchase, executive relocation expenses and a broad range of other areas. Approval of funds is typically based on wage levels of new jobs, and consideration is given for industrial projects going into economically distressed communities.

Other regions operate similar programs, though amounts and guidelines vary.

LOCAL PROGRAMS

Counties may establish authorities to issue INDUSTRIAL REVENUE BONDS (IRBs) or INDUSTRIAL DEVELOPMENT BONDS, which provide tax-exempt financing for eligible new or expanded manufacturing facilities, distribution centers and R&D facilities necessary to the manufacturing process. The maximum bond amount is \$10 million. Qualifying projects must include:

- > a written commitment of local support called an "inducement letter";
- > a commitment either to pay wages above the county manufacturing average, 10 percent above the state average or locate in an area of severe unemployment;
- > the procurement of required environmental permits;
- > the creation of a sufficient number of jobs to impact the local economy (a minimum of six jobs per \$1 million in bonds); and
- > the assurance that the new financing will not result in the company closing another facility in North Carolina.

County and city incentive programs vary widely, but most offer cash benefits that are calculated based upon a formula of anticipated local tax revenue and job increases over a designated period of time. Robeson County, for example, maintains a three-tiered Industrial Development Incentive Grant Program, eligibility for which is based upon capital investment, jobs and wage levels. Land grants and other types of assistance are also negotiated on a case-by-case basis.

Another example is Forsyth County, which has established incentive guidelines based on new capital investment (building and equipment) and on the number and value of new jobs created. The county requires a minimum investment of \$3 million and the creation of at least 25 new jobs. Incentives must be approved by vote of the Board of Commissioners. Using a formula that calculates the annual tax return from the investment and the sales tax increase from the new jobs, the county will provide up-front financial assistance to companies based on a 3-5 year payback. The money can be used for site, facility and infrastructure improvements, land credits, site analysis, employee training and lease reductions. Jobs must meet identified wage thresholds.

Scotland County, a third example, awards incentives that include free land, extension of water and sewer lines, relocation assistance, waiver of building permit fees and cash grants equivalent to 50-85 percent of county property taxes. These enticements are extended based upon the amount of capital investment and the number of jobs anticipated within a period of three years.

RESOURCES

The following organizations offer information, education and support on an array of economic development topics:

The NORTH CAROLINA ECONOMIC DEVELOPERS ASSOCIATION (NCEDA) is the statewide association of professional economic developers and their allies. Members promote the state and their respective communities as places for new economic activity. Traditionally, this work focused on recruitment of manufacturing industries, but it has recently expanded to include trade, services, tourism, downtown development, business retention and entrepreneurship. Serving its members for over 30 years, NCEDA's mission is to be (a) North Carolina's leading organization for economic development professionals and allies, and (b) North Carolina's leading advocacy organization for economic development.

North Carolina Economic Developers Association
1201 Edwards Mill Road, Suite 102
Raleigh, NC 27607
Contact: John Peterson, Executive Director
Toll-Free: (888) 24NCEDA
Fax: (919) 882-1902
Web Site: www.nceda.org

The N.C. DEPARTMENT OF COMMERCE is North Carolina's lead agency for economic, community and workforce development. The mission of the Department is to improve the economic well-being and quality of life for all North Carolinians. Services to businesses include: assistance with exporting; helping start-up firms, small but growing businesses and disadvantaged persons in inner cities and rural areas; business recruitment; retention and expansion services; and maintaining a comprehensive database of available commercial and industrial properties.

N.C. Department of Commerce
301 N. Wilmington Street
Raleigh, NC 27601
Phone: (919) 733-4977
Web Site: www.investnc.com

The ECONOMIC DEVELOPMENT COURSE is a comprehensive educational experience on the theory and practice of economic development. The course's core curriculum is augmented by region-specific subject matter. The one-week training course is designed to serve development professionals with public, civic or private development agencies, and it provides the background necessary for organizing, planning and operating economic development activities. Starting in 2004 the course will be offered through the UNC School of Government.

North Carolina Economic Development Course
University of North Carolina
Chapel Hill, NC
Contact: Emil Malizia
Phone: (919) 962-4759

The SOUTHERN ECONOMIC DEVELOPMENT COUNCIL (SEDC) traces its roots to the fall of 1946, making it the oldest and largest regional economic development association in North America. SEDC is a non-profit, 501(c)(6), membership organization serving more than 1,200 economic development professionals in 17 states. Its membership is diverse, including leaders from across business and industry, chambers of commerce, utilities, transportation, finance, education, and local, regional and state development agencies.

Southern Economic Development Council
41 Marietta Street NW, Suite 420
Atlanta, GA 30303
Contact: Gene A. Stinson, President
Phone: (404) 523-3030
Fax: (404) 523-0406
Web Site: www.sedc.org

The INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL (IEDC) was created in 2001 through the merger of the Council for Urban Economic Development (CUED) and the American Economic Development Council (AEDC), both longstanding organizations. IEDC is a professional membership organization with nearly 4,000 members. Its services include conferences, professional development and certification, advisory services, legislative tracking, an information clearinghouse, and publications.

International Economic Development Council
734 15th Street NW, Suite 900
Washington, DC 20005
Contact: Jeff Finkle, President
Phone: (202) 223-7800
Fax: (202) 223-4745
Web Site: www.iedconline.org

CORENET GLOBAL is a worldwide professional development and networking association for corporate real estate and related professionals. It was formerly IDRC. Its 7,000 members are based in five global regions and manage \$1.2 trillion (U.S.) in owned and leased industrial, office and other space. Among its services is the Open Standards Consortium for Real Estate.

CoreNet Global
260 Peachtree Street, Suite 1500
Atlanta, GA 30303
Contact: Peggy Binzel, President, CEO
Phone: (404) 589-3200
Fax: (404) 589-3201
Toll free: 800-726-8111
Web Site: www.corenetglobal.org

Other resources in the state that have a focus on economic development include:

- > North Carolina Community College System, 58 campuses; provides nationally recognized industry training and workforce development programs, as well as assistance in business start-up through its Small Business Center network: www.ncccs.cc.nc.us
- > Industrial Extension Service, North Carolina State University; focused on helping existing industry be more productive and profitable: www.ies.ncsu.edu
- > Small Business and Technology Development Centers, housed at 16 UNC campuses; provides management counseling and market development services to growing small businesses statewide: www.sbtcd.org
- > MCNC; promotes technology-based economic development statewide through partnerships with universities, industry and government: www.mcnc.org
- > North Carolina Biotechnology Center; supports biotechnology research, development and commercialization statewide: www.ncbiotech.org
- > Golden LEAF, Inc.; receives funds through national tobacco settlement and provides grants to N.C. communities and non-profit organizations to create economic impact, particularly in places adversely affected by tobacco decline: www.goldenleaf.org
- > North Carolina Rural Economic Development Center; serves the state's 85 rural counties by developing, promoting and implementing sound economic strategies: www.ncruralcenter.org.

NCEDA ECONOMIC DEVELOPMENT HANDBOOK EDITORIAL COMMITTEE

The content for this handbook was developed by a variety of NCEDA members volunteering their time to help educate others in the state about the constantly changing profession of economic development. The original committee that developed the first edition of this handbook in 2001 was chaired by Robin Hiott Spinks and included Ray Burrows, Doug Byrd, Brenda Daniels, Jim Fain, Oppie Jordan, Bob Leak Jr., Dianne Reid, Steve Yost and Lawrence Bivins. The revision in 2003 was chaired by Leslie Scott Stewart and included Ronnie Goswick, Scott Millar, John Peterson and Mac Williams.

NOTES



1201 Edwards Mill Road, Suite 102, Raleigh, NC 27607
(888) 24NCEDA • Fax (919) 882-1902 • www.nceda.org

Appendix 12
The Charrette Process





NCI Charrette System

The NCI Charrette System (formerly called NCI Dynamic Planning) is a design-based, accelerated, collaborative project management system for all aspects of community planning including sustainable community plans, regional/comprehensive plans, transportation/infrastructure plans, and development plans. It is a proven, flexible, three-step framework that can be customized for your project.

Benefits of the NCI Charrette System

Compared to conventional planning processes that take years of endless meetings, the NCI Charrette System:

Saves time and money through

- Time-compressed design sessions
- Reduced rework through short design feedback loops
- Broad support from citizens, professionals, and staff

Increases probability for implementation through

- Multi-disciplinary teamwork
- Early focus on engineering and finance
- Bringing all decision makers together for a compressed period of time

Promotes trust between citizens and government through

- Meaningful public involvement and education

Applications of the NCI Charrette System

The NCI Charrette System is a flexible, three-phase, project management system for public and private planners, designers, architects, developers and community activist to use for:

- Sustainable community and building design
- Regional and comprehensive planning
- Master planning
- Transportation/infrastructure planning
- Code/policy writing

3 Phases of the NCI Charrette System

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click below to view

[The Charrette as an Agent for](#)

Change

written by
Bill Lennertz for
*New Urbanism:
Comprehensive
Report & Best
Practices Guide*



The NCI Charrette System is a three-phase, holistic, collaborative planning process during which a multiple-day charrette is held as the central transformative event. The process commences with the Charrette Preparation Phase, followed by the NCI Charrette acting as a fulcrum at the middle phase, and closes with the Plan Implementation Phase.

All three phases of the NCI Charrette System are of significant importance to the outcome of a project. When a charrette project fails, it is most often due to a lack of preparation or follow-up rather than a poorly run charrette. Without proper preparation, which includes collection of base data and stakeholder outreach, the infrastructure may not be in place to support the outcome of the charrette. This can result in such problems as the emergence of an opposition group or the discovery late in the process of engineering data that challenge project feasibility. Without continued stakeholder communication in the implementation phase, support for a project can wane over time.

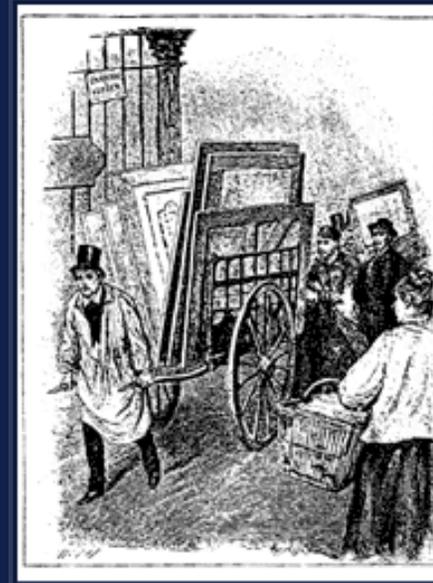
What is a Charrette?

Origin of the Term

The French word, "charrette" means "cart" and is often used to describe the final, intense work effort expended by art and architecture students to meet a project deadline. This use of the term is said to originate from the École des Beaux Arts in Paris during the 19th century, where proctors circulated a cart, or "charrette", to collect final drawings while students frantically put finishing touches on their work.

NCI Charrette Definition

The NCI charrette combines this creative, intense work session with public workshops and open houses. The NCI charrette is a collaborative planning process that harnesses the talents and energies of all interested parties to create and support a feasible plan that represents transformative community change.



A NCI Charrette is:

- At least four consecutive days, allowing three design feedback loops
- An open process that includes all interested parties
- Focused on producing a feasible plan

The following key strategies are essential to a successful NCI Charrette System project

■ Work collaboratively

All interested parties must be involved from the beginning. Having contributed to the planning, participants are in a position both to understand and support a project's rationale.

■ Design cross-functionally

A multi-disciplinary team method results in decisions that are realistic every step of the way. The cross-functional process eliminates the need for rework because the design work continually reflects the wisdom of each specialty.

■ Compress work sessions

The charrette itself, usually lasting four to seven days, is a series of meetings and design sessions that would traditionally take months to complete. This time compression facilitates creative problem solving by accelerating decision making and reducing unconstructive negotiation tactics. It also encourages people to abandon their usual working patterns and "think outside of the box."

■ Communicate in short feedback loops

During the charrette, design ideas are created based upon a public vision, and presented within hours for further review, critique, and refinement. Regular stakeholder input and reviews quickly build trust in the process and foster true

understanding and support of the product. A feedback loop occurs when a design is proposed, reviewed, changed, and re-presented for further review.

■ **Study the details and the whole**

Lasting agreement is based on a fully informed dialogue, which can only be accomplished by looking at the details and the big picture concurrently. Studies at these two scales also inform each other and reduce the likelihood that a fatal flaw will be overlooked in the plan.

■ **Produce a feasible plan**

To create a feasible plan, every decision point must be fully informed, especially by the legal, financial, and engineering disciplines. The focus on feasibility brings a level of seriousness and rigor to the process for everyone involved.

■ **Use design to achieve a shared vision and create holistic solutions**

Design is a powerful tool for establishing a shared vision. Drawings illustrate the complexity of the problem and can be used to resolve conflict by proposing previously unexplored solutions that represent win/win outcomes.

■ **Include a multiple day charrette**

Most charrettes require between four and seven days, allowing for three feedback loops. The more difficult the problem, the longer the charrette.

■ **Hold the charrette on or near the site**

Working on site fosters the design team's understanding of local values and traditions, and provides the necessary easy access to stakeholders and information. Therefore, the studio should be located in a place where it is easily accessible to all stakeholders and where the designers have quick access to the project site.

Overview of the design, input and feedback cycles that occur throughout a NCI charrette



What happens at a NCI charrette?

From [The Charrette Handbook](#)

The charrette is the catalytic event of the dynamic planning process. It is a collaborative event that lasts four to seven days. The goal of the charrette is to produce a feasible plan that benefits from the support of all stakeholders through its implementation. A multidisciplinary charrette team, consisting of consultants and sponsor staff, produces this plan.

It takes place in a charrette studio situated on or near the project site. During the charrette, the charrette team first conducts an open public meeting to solicit the values, vision, and needs of the stakeholders. The team then breaks off to create alternative plans, testing and refining them with the goal of producing a preferred plan.

The charrette is organized as a series of feedback loops through which stakeholders are engaged at critical decision-making points. These decision-making points occur in primary stakeholder meetings, several public meetings, and possibly during an open house throughout the course of the charrette. These feedback loops provide the charrette team with the information necessary to create a feasible plan. Just as importantly, they allow the stakeholders to become co-authors of the plan so that they

are more likely to support and implement it.

The charrette needs to last at least four days for the simplest of projects, and six to seven days for a standard project, in order to accommodate the required three feedback loops. Processes that last less than four days usually do not allow enough time to perform feasibility testing and to deal with major stakeholder issues. Some firms have successfully developed processes lasting less than four consecutive days, which is usually done by breaking the longer charrette into several three-day events about a month apart.

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1028 SE Water Ave., Suite 245, Portland, OR 97214
tel: (503) 233-8486 fax: (503) 233-1811 email: info@charretteinstitute.org