Strategic Economic Development Plan

Town of Huntersville, North Carolina

Prepared for:

Town of Huntersville, North Carolina

Prepared by:

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Huntersville, North Carolina

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1 EXECUTIVE SUMMARY

A. PROJECT BACKGROUND

Huntersville's purpose in developing a Strategic Economic Development Plan (SEDP) is to promote job creation, private investment and tax base expansion while maintaining a high quality of life, including preservation of the Town's natural, scenic, cultural and historic assets. The Town is to be commended on its economic development efforts to date through an active business retention and expansion program, managed by the combined efforts of the Town of Huntersville and the Lake Norman Regional Economic Development Corporation. Therefore, the main objective of the SEDP is to build upon previous efforts by the Town and LNREDC to provide a vision and action plan to guide economic development activity in Huntersville over the next 15 years.

RKG Associates, Inc. was selected to assist Huntersville in crafting the strategic economic development plan. In the course of the work program, RKG professionals reviewed relevant plans and documents, and interacted with key stakeholders including municipal staff, local real estate professionals and developers, business leaders, economic development practitioners, and others. Stakeholder input provided local context for analyzing other key aspects of Huntersville's economic environment, including industry trends and land use dynamics.

B. STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS

The SWOT analysis identifies internal and external factors that are favorable and unfavorable to achieving the objectives of the economic development strategy. The identification of SWOTs informs the application of strategies to convert weaknesses or threats into strengths and opportunities. A description of SWOT categories is as follows:

- Strengths: characteristics of an area that give it an advantage over others
- Weaknesses: characteristics that place an area at a disadvantage over others
- Opportunities: elements that an area can exploit to its advantage
- Threats: elements in the environment that could pose challenges to achieving objectives

Table 1-1 shows the SWOTs identified for Huntersville relative to economic development:

Table 1-1
Strengths, Weaknesses, Opportunities, Threats
Town of Huntersville 2014

STRENGTHS	WEAKNESSES
• Large highly skilled and semi skilled white collar workforce and semi skilled blue collar workforce	• Town is vulnerable to same forces that drove down the county's manufacturing sector
• Large number of shovel ready sites and land inventory for employment generating uses	• Tax base imbalance - weighted towards residential
• Access to an international airport with key nonstop international destinations	• High regional unemployment rates
• Good interstate access, I-85 & I-77 north-south, access to I-40 east-west and future I-485	• Traffic congestion - I-77 and NC-73
• Proximity and regional access to water as a recreational resource	• Stagnant wage and salary growth
• Established industrial base of international companies	• Development review and entitlement process is viewed by some members of the development community as difficult and time-consuming
• Central Piedmont Community College	• Lack of public access to Lake Norman
• Destination area: tourism & sporting events	• Lack of a defined downtown commercial district
	• Lack of full-service hotel and conference center
OPPORTUNITIES	**THREATS**
• Roadway transportation improvements	• Intrastate/interstate competition
• Commuter rail will create the potential for transit oriented development	• Daily out-commuting of highly skilled workforce
• Commerce Station can support heavier industry than would be appropriate elsewhere	• Non-residential build-out density is very low, consuming land at a fast rate

Source: RKG Associates 2014

C. RECOMMENDED TARGET INDUSTRY CLUSTERS

1. Target Industry Cluster #1 – Finance

Finance is Mecklenburg County's third largest employment industry behind Health Care and Retail, accounting for 9.6% of employment. Charlotte is currently the nation's second largest banking center, with six of the top ten banks in commercial and industrial loans operating in Charlotte. The number of establishments in the county's finance industry grew from 2,020 in 2003 to 2,455 in 2012, an increase of 435 firms. In Huntersville, employment in this industry increased from 219 to 707 from 2002 to 2011. The largest Finance firm in Huntersville is GM Financial, employing 300 and specializing in auto loans and leases.

As long as the Finance industry continues to grow in the region, Huntersville will have the opportunity to attract business by virtue of its inventory of quality Class "A" office space, its attractiveness as a place of residence, and its diverse housing opportunities.

2. Target Industry Cluster #2 – Product Manufacturing

Mecklenburg County lost over 20,000 jobs in Manufacturing from 2002 to 2011, a decrease of 39%. However, Huntersville managed to add 251 Manufacturing jobs in the same period, an increase of 41%. Four of Huntersville's top ten employers are manufacturing companies and include Rubbermaid (400 employees, household and commercial products), Pactiv Corporation (315 employees, food packaging products), Forbo Siegling (280 employees, belts: conveyor, transmission, etc.), and SABIC Innovative Plastics (211 employees, specialty plastics). In Huntersville, nearly all local employees are working in office related functions but the companies have a significant local presence.

Although conventional wisdom holds that textile mills in North Carolina are a thing of the past, Mecklenburg County has managed to grow this industry, increasing employment by 22%, from 542 in 2003 to 662 in 2012. SAERTEX USA, a German-based company with a facility in Huntersville, employs 200 persons manufacturing industrial fabrics. Textile Mills has the second highest location quotient in the county. Two of Huntersville's top ten companies are in the Plastics and Rubber Products category, the aforementioned Rubbermaid and Pactiv. Another company, Poly-Tech Industrial (29 employees), manufactures and distributes specialty plastic components. Although this industry has suffered employment losses in the past decade, it has a strong presence in Huntersville, and a county LQ of 1.40.

Machinery Manufacturing is the strongest manufacturing industry in the county, with employment of over 6,000, an LQ of 1.58, and ten-year growth of 18%. Huntersville companies in this category include, but are not limited to: Irwin Tools (200 employees), maker of power tools; Keller Technology (61 employees), maker of industrial process equipment, specialty production machines, and manufacturing systems for medical devices; and, Huber Technology (a German-based company employing 47), maker of equipment for municipal and industrial water and wastewater treatment. Huntersville's largest Fabricated Metal Products concern is Max Daetwler Corporation (a Swiss-based company employing 95), makers of a specialty metal part for flexographic printing, as well as custom machine parts.

The Town's premier Electrical Equipment manufacturer is ABB (a Swiss-based company employing 114), makers of high voltage electric transmission cables. Although this industry is small, it has experienced very rapid growth in ten years. Huntersville has several growing Miscellaneous Manufacturing companies, including: the aforementioned Forbo Siegling (a Swiss-based company); and, Microban International (a Thailand-based company, makers of antimicrobial additives for plastics and coatings).

Based on the factors noted above, product manufacturing is considered to be a very strong fit for target industry recruitment efforts within the Town. This will largely be a continuation of previous efforts but should not be overlooked due to the relative strength exhibited by historical growth rates. Huntersville's economic development partners should, to the extent possible, work to ensure that existing businesses can attract and retain an adequate supply of labor, have sufficient infrastructure to grow their operations, and obtain available financial inducements. Encouraging the construction of new manufacturing facilities through development of assets, regulatory policies, infrastructure and roadway expansion, and public private partnerships should be continued.

3. Target Industry Cluster #3 – Technical, Research, Consulting and Corporate Operations

This target cluster includes the Professional, Scientific, and Technical Services category which employed over 870 of Huntersville's workers in 2011. This industry added 444 jobs from 2003 to 2012, nearly doubling employment in the Town. Key industries include legal, accounting and bookkeeping, and architectural and engineering services. By far, the strongest industry in the county is Management and Technical Consulting Services with 10,800 employees and 106% growth over ten years. The fastest growing, but still relatively small, industry is Scientific Research and Development which grew from 603 employees in 2003 to 1,737 in 2012.

Huntersville offers a high quality of life due to the number and accessibility of recreation features (particularly outdoor recreation) as well as a comparatively low cost of living. These factors are strong selling points in attracting the home-based and small-scale professional services industry. Industries such as architecture and engineering are steadily expanding beyond the traditional urban markets due to technology advances such as high-speed fiber optic telecommunications and affordable communication software (i.e. Skype). In addition, in April 2014, AT&T announced plans to offer super-fast (1 gigabyte/sec.) Internet service called U-Verse to six North Carolina cities including Huntersville. The telecom company will offer Internet service to homes and businesses at speeds 100 times faster than regular connections and this could create opportunities for existing and new companies to increase their use of the Internet or access to data to increase business opportunities.

Administrative and support services industry includes routine support activities for the day-to-day operations of other organizations which are necessary to long-term sustainability. The activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services. Although the Town saw a decline in employment in this industry, the county experienced an 18.8% increase and has an LQ of 1.16. While not a direct target industry, Huntersville's economic development partners need to monitor satisfaction of existing businesses and work to maintain a high level of service through support for expansion/recruitment of providers.

4. Target Industry Cluster #4 – Healthcare

The Healthcare industry is an important component of the regional economic base. Healthcare-related jobs accounted for almost 12% of all employment within Huntersville, totaling approximately 1,720 as of 2011 the third largest employment industry in the Town behind retail and hospitality. The majority of this employment is related to ambulatory care (doctor's offices and clinics) and hospital operations.

Healthcare is a strong industry in urban and suburban areas where there are hospitals. Healthcare employment in the Town grew 84% compared to 33% in the county, reflecting Huntersville's population growth and the increased need for health care services for its residents.

Given the existing employment concentration and historical growth of the local and regional healthcare industry, it is considered to be a very strong Local Fit as a target cluster for the Town. Initial opportunities for growth in healthcare jobs are to work with existing providers to identify primary and specialty services currently not offered in Huntersville. Another opportunity relates to Huntersville's retirement population. The growing senior population will increase the demand for continuing care facilities and medical services as they age in place. Along with increasing geriatric care, there may be other opportunities to expand specialized treatment facilities based on further strategic planning with area healthcare leaders.

5. Target Industry Cluster #5 – Spectator Sports

Visit Lake Norman, aka the Lake Norman Convention and Visitors Bureau, estimates that sporting events in Cornelius, Davidson and Huntersville generated approximately $23 million in visitor spending in 2012. According to the NC Department of Commerce, every $98,000 in visitor spending supports one job, meaning sporting events supported 235 jobs in the local recreation, hospitality, food and beverage, and retail industries. It is estimated that baseball/softball events alone generated over $10 million in direct spending. The premier baseball/softball facility (Bradford Park) is located in Huntersville, and features five lighted ball fields.

D. PHASED IMPLEMENTATION STRATEGY

The implementation strategy provides the vision and blueprint for the Town to most effectively allocate its resources and manage to achieve its objectives for promoting job creation, attracting private investment, and expanding its tax base while maintaining a high quality of life for its citizens. The following plan incorporates short-, medium,- and long-term initiatives that will enable the Town to take immediate action on certain tasks as well as take initial steps in the planning for long-term projects.

1. Management of Real Estate Assets

Huntersville enjoys substantial and diverse real estate assets targeted to employment supporting uses in various stages of development. These assets are identified and described below in the context of their correspondence to the Major Employment Areas identified in the 2030 Community Plan, their distinguishing characteristics, location within the Town's Economic Analysis Zones **(Chapter 4: Real Estate Market Analysis)**, and potential for business opportunities in Huntersville. The real estate assets are presented in the sequence of their readiness to accommodate development, from near-term to long-term opportunities. See Figure 6-1 Economic Opportunity Areas.

a.) Near-Term Opportunity Areas (Years 1-2)

- ***The Park Huntersville/Gilead Center*** — Located in Zone 3 (see Figure 4-3), Huntersville's signature business park and home to a diverse array of tenants including retail, office, light industrial (e.g. Daetwyler, Forbo-Siegling, Keller, Joe Gibbs Racing, Microban), health care (Novant Health Huntersville Medical Center), and local government (Huntersville Police Dept.). The Park section is positioned to accommodate this broad range of users by virtue of its relatively large lots (2-22 acres) and open space buffers. There are twenty-three lots totaling 184 acres currently marketed for sale. Gilead Center is characterized by small lots of 1-acre average. There are eight lots totaling 8 acres currently marketed for sale. The Park infrastructure is fully developed and tenant ready.

- ***Commerce Station*** — Commerce Station is one of two major commerce parks located in Zone 8, has two industrial tenants (ABB and Pactiv), and is planned for an additional 300 acres which are not currently under development. Commerce Station is a public industry joint venture development between the towns of Cornelius, Davidson and Huntersville. As owners of the land, the public industry partners are in a position to offer incentives, such as discounted consideration, to attract businesses.

- ***Bryton*** — 500-acre mixed-use development slated for 2,500 residential units, 1 million square feet of retail and 1 million square feet of flex/office, located in Zone 8. Some retail has been delivered, including a Walmart, and infrastructure is still under development. Zoning is a combination of Transit Oriented Development Residential (TOD-R), Highway Commercial (HC) and Special Purpose (SP). Bryton also includes a planned transit station stop, one of three proposed for Huntersville.

b.) Medium-Term Opportunity Areas (Years 3-7)

The Red Line Regional Rail (RLRR) Project (a.k.a "Red Line") is a planned commuter rail transit line to offer passenger service between Charlotte and Mooresville, along an existing 25-mile section of the Norfolk and Southern "O" Line. The Red Line would include three station stops in Huntersville: Hambright Station, Downtown Station and Sam Furr Station and is one of five transit lines included in the 2030 Transit System Corridor Plan, adopted by the Charlotte-Mecklenburg Metropolitan Transit Commission (MTC) in 2007. The current schedule for implementation of the Red Line is pending development of a system-wide plan to finance the entire transit system. Approval for use of the Norfolk & Southern rail line will also need to be obtained prior to the implementation of passenger rail service. If the project does indeed move forward, it will greatly enhance the attractiveness of the Town's three planned transit station areas to potential investors, and otherwise accelerate economic activity in these areas. Indeed, estimates regarding job creation associated with the RLRR Project suggest that the line would generate 23,000 new jobs in the North Corridor by 2035.

- ***Hambright Station*** *– (See Bryton)*

- ***Huntersville Station*** — Located around Huntersville's traditional downtown; this area has a Town Center Zoning designation which supports a diverse array of uses of relatively high density in a compact, pedestrian oriented environment. Planning for transportation improvements are underway, which could be funded in part from Tax Increment Financing (TIF, or synthetic TIF) as discussed in Section 4-C of this report. The case for downtown revitalization is strong, as the Town will accrue both tangible and intangible benefits through redevelopment: the development program projects 586 new jobs supported; increased property values will generate net new property tax revenues; a revitalized downtown will serve as the activity center for nearby neighborhoods and employment nodes; and, a revitalized downtown will create a source of pride for the Town. The redevelopment of the downtown should be a priority action item for the Town, with or without a transit station.

- ***Sam Furr Station*** — The greater area surrounding the proposed Sam Furr transit station comprises a significant amount of CB and SP zoned land, located east of the Norfolk Southern rail line. While the SP zoned area contains existing industrial uses, the CB zoned land is largely undeveloped with the exception of a large warehouse in the northeast quadrant of Old Statesville and Sam Furr Roads. If the RLRR project does not come into fruition, development of this area will likely be longer term.

- ***06-07 and R03-09 (Mt. Holly/Huntersville Road West of I-77) -*** The two large CB zoned tracts to the south of The Park Huntersville and west of I-77 (referred to as R06-07 and R03-09 in Figure 4-6), represent medium term commercial development opportunities for Huntersville. The two areas comprise 666 acres.

c.) Long-Term Opportunity Areas (Years 8-16)

- ***R06-07 and R03-09 (Mt. Holly/Huntersville Road West of I-77) -*** The two large CB zoned tracts to the south of The Park Huntersville and west of I-77 (referred to as R06-07 and R03-09 in Figure 4-6), also represent long term commercial development opportunities for Huntersville.

- ***NC 73 Land Use & Economic Development Plan Area*** - In 2005, a small area and economic development plan was prepared for a 3½ mile stretch of NC 73 from Davidson-Concord Road to Poplar Tent, traversing the jurisdictions of Davidson, Huntersville and Cabarrus

County. The plan anticipates the widening of NC 73 as recommended in the 2003 NC 73 Transportation and Land Use Corridor Study. The Plan provides for a Central Business District that straddles both Davidson and Huntersville, and allows for commercial building heights of 2 to 6 stories. The Huntersville portion of the Plan Area is estimated to equal 100 acres, and also contains a Research and Development District and a Neighborhood Center. Anticipated build-out is 20 to 30 years. In 2012, Huntersville updated its portion of the NC 73 LUEDC Plan. This plan modified the NC 73 Plan but reiterated the recommendations for a mixed-use land use pattern along NC 73, with adjoining office/flex and light industrial uses.

d.) Conclusions and Recommendations

All of Huntersville's CB zones are appropriately located in the higher density area situated in the I-77/NC-115 area of the Town, which is recommended for a "Higher Intensity" development pattern in the 2030 Community Plan (Figure 6-2). Economic Analysis Zones encompassed in this development pattern include 1, 3, 5, 6, 7 and 8. Zone 10 is the exception in the "Lower Intensity" areas by virtue of the NC 73 Plan.

- ***Master/Small Area Planning*** **—** The Town may want to consider creating small area plans for commercially zoned districts where higher density development (and associated employment) may occur , as a means of maximizing its current inventory of non-residentially-zoned land, along with the resulting tax base for the Town. While there is sufficient acreage currently zoned for employment type land uses, area plans would provide the Town with a valuable tool for integrating these uses into areas which have previously been characterized by either a low-intensity or underdeveloped land use pattern.

- ***Preserve Non-Residentially Zoned Land*** **—** It is reasonable to assume that demand for residential development will continue to outpace non-residential development in the foreseeable future. As Huntersville approaches residential build-out, developers and landowners are likely to bring pressure to bear to rezone non-residential land to residential. This trend is well documented in other jurisdictions, and is one the Town should remain mindful of and resist when and if the occasion warrants. In order to attain an optimal balance of residential and non-residential development, the town should maintain its inventory of land for employment generating uses (i.e., office, industrial, etc.) in order to ensure its economic sustainability into the future.

2. Coordinate Economic Development Programs and Support Services

Huntersville's economic development initiatives will be most effective through the enhancement of the ongoing efforts of the LNREDC and other advocacy organizations. Although the subsequent action items in this section fall outside of the responsibilities of the LNREDC, the Town can take steps to coordinate more effectively with its economic development partners.

- *Establish a point person for economic development:* — The town should assign an individual as a de facto economic development director, who can interact with LNREDC, CPCC, and other economic development organizations. This individual will administer activities associated with the recommendations contained herein, and help ensure that public policy is consistent with Huntersville's economic development objectives.

- *Connect to and coordinate with the network of available business resources:* The economic development point person should become familiar with all of the local, state, and federal assistance programs and funding mechanisms that support economic development, including deadlines for submitting grant applications, eligibility requirements for various programs, etc.

- <u>*Advocate for a streamlined development review process*</u> — It is RKG Associates experience that seemingly successful business recruitment efforts have ultimately failed when the business prospect encountered cumbersome and confusing development approvals processes. One of the most effective steps the Huntersville can take to support the business recruitment and retention activities of the LNREDC is to ensure that their efforts are not undermined by the inadvertent actions of other public agencies. How this can be done is described in more detail below.

3. Regulatory Environment

In Huntersville, the development approval process is a coordinated effort involving the Town, Mecklenburg County and NCDOT. The process consists of two steps. The first step is review and approval of land development plans. Since 2012 the town and county have utilized an "Electronic Permit Management (EPM)" system, to process all land development proposals. Under this system, plans are submitted electronically to one site and then routed to the various Town and County review agencies. This system allows for the efficient review and approval of land development plans and reduces printing and copying costs. Once the land development plan approval process has been completed, the second step is commercial building plan review. As with the land development process, some commercial building permits are processed electronically through the County EPM system. Several commercial building permit options are available to applicants (in addition to the standard protocol for the review and approval of building plans) to expedite the permitting process for projects meeting certain criteria. One such option is *Express Plan Review* (also available for land development plans), which accelerates the normal plan review service offered by the County. Under the *Express Plan Review* option, applicants pay an hourly permit fee as an alternate to the standard permit fee and approval timeframe. The *Express Plan Review* option has proven to be very popular with the development community, allowing for a compression of the normal review schedule for those applicants who are willing to commit the necessary resources to advance their project more rapidly. A second expedited plan review alternative offered by the county is the *Mega Projects* review option. This option (also based on an hourly fee) allows for the simultaneous multi-agency plan review and approval of very large commercial projects (typically those exceeding 100,000 square feet). This program was successfully utilized for the 200,000 square foot ABB project approved by the town and county in 2011.

Since being instituted, the EPM land expedited plan review systems have resulted in improvements in the efficiency of the land development and building construction plan review and construction permitting process. Consistent with its goal to foster a business friendly environment, the Town continues to work closely with the County to look for ways to refine this process and to insure that it is fostering a regulatory environment conducive to facilitating commercial and economic development in Huntersville. The Town should continue its efforts in this regard, to insure that the development review and permitting process is not a hindrance to economic development and also to look for areas where the process can be made more efficient.

Despite recent improvements in the development review and approval process at both the county and town levels, there appears to be a lack of understanding of these improvements by some members of the development community. One point of emphasis based on RKG's review and interviews with key business, real estate and industry leaders, is that the Town should do more in its efforts to streamline the entitlement and plan review process. While some of those interviewed for this study recognized that improvements had been made, others were generally unaware of any substantive changes. This finding may indicate the need for a more comprehensive marketing or information campaign to inform the real estate development community of the Town's new policies and procedures reviewing development plans.

Many communities have successfully adopted streamlined development review processes for high impact, targeted industries that are relocating or expanding in their jurisdictions. These communities have taken extra steps to help ensure businesses have a first-rate experience when going through the development review/permitting process. Those municipalities have adopted cross agency streamlined permitting ordinances or resolutions, often have an online permit tracking system, and have designated a staff representative as a "concierge" to businesses who are going through the permitting process.

Given Huntersville's recent efforts to address its plan review and approval process, there appears to be a lack of recognition by some members of the development community. Real or perceived, this issue is starting to impact certain people's willingness to develop or do business in Huntersville. RKG believes the Town should take steps to address these perceptions through future outreach efforts.

a.) <u>Marketing to Development Community</u>
In order to address the concerns/perceptions that the development review and approval process is either too lengthy or difficult, the Town should make an intentional effort to inform the development community of the changes that have been made or will be made in the future. That should be accomplished through concerted outreach to real estate developers, real estate brokers, all applicants seeking plan review, architects & engineering firms and other people engaged in the land development process. If not addressed, this has the potential to perpetuate negative perceptions of the Town and could eventually cause certain development interests to pass over Huntersville for other communities.

b.) <u>Identify Priority Economic Development Zones</u>
The objective of the streamlined development approval process is to facilitate the Town's economic development plan, and otherwise improve the prospects for business attraction and expansion by removing unnecessary regulatory impediments. With this in mind, the streamlined approvals process should be limited to these circumstances, which can be done by restricting the process to areas within commercially zoned areas.

c.) <u>Development Concierge Service</u>
A common denominator in most successful development streamlining programs is a manager or management team equivalent to a "development concierge," one or two individuals focused on providing property owners and investors technical and process-oriented assistance when going through the Town's development process. Whether it is a rezoning or variance request, the concierge program is intended to assist applicants in effectively and efficiently finding a resolution. Two individuals should be assigned as development concierges, one to serve as a principal point of contact and one to serve as a backup. These professionals need to have experience and familiarity with the Huntersville process, and could come from existing staff.

4. Entrepreneurial Development

a.) <u>Virtual Incubator Program</u>
In 1998, a 20-year study focusing on the cycles of job creation and retention was concluded in Michigan by John E. Jackson, a professor of political science at the University of Michigan ("Economic Development in Michigan: Choosing an Economic Future" 1988). During that period, approximately 50,000 "homegrown" companies were formed, compared to 140 "transplant" firms that also arrived during that timeframe. Both the small businesses and the transplants initially created about 150,000 jobs. By 1998, while only 17,000 of the new businesses remained, those survivors accounted for 190,000 jobs. Only 62 of the 140 transplanted non-native companies grew lasting Michigan roots, with total employment among them declining to about 61,000 by 1998.

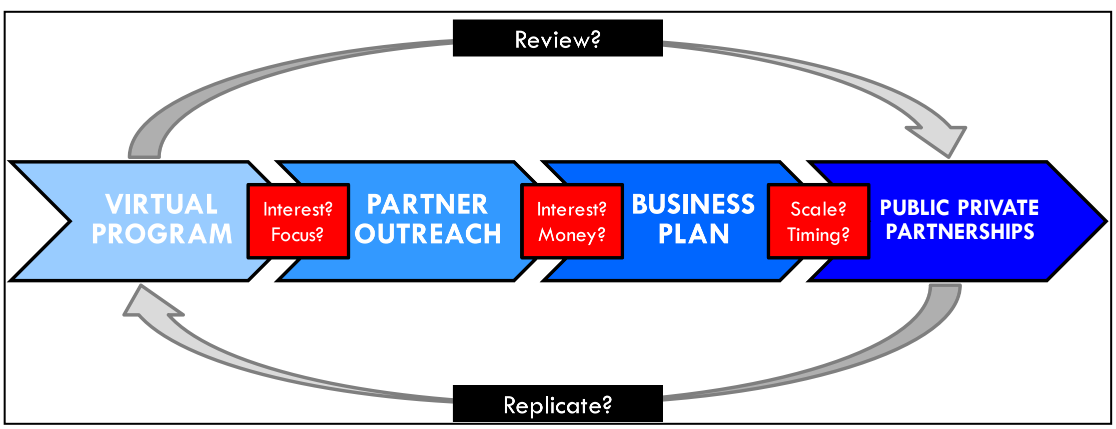
The findings of this and numerous similar studies have drawn a recurring conclusion: successful homegrown businesses are the most likely to maintain their roots in a community. While transplanted firms remain important to local, regional, and state economies, a specific focus should be spurring innovation and nurturing the growth of new, homegrown enterprises.

The informal, private sector sponsored incubators managed by principals of Poly-Tech and Daetwyler demonstrate demand for entrepreneurial assistance. The completion of I-485 will also increase access to the Portal facility at UNC-Charlotte. As such, Huntersville has the potential to develop a dynamic entrepreneurial program that expands upon existing County resources such as the Small Business Development Center at Central Piedmont Community College. RKG Associates understands that the development of a business incubator has been the subject of discussion among the Town Board, and the former police station in downtown Huntersville could potentially serve as the physical space. This creates the potential for a process where Huntersville becomes a connection point by virtue of its physical space, bringing together investors (funding), mentors (business planning), and entrepreneurs (products and ideas) in creating opportunities for companies to grow and prosper in Huntersville.

As a potential feeder network to the UNC-Charlotte small business incubator, the Town could provide a "virtual incubator" program to assist small entrepreneurs that are not yet ready to occupy and rent physical space in a traditional business incubator. This would include entrepreneurs currently operating out of their homes or garages, which is where many small businesses start. The concept of the "virtual incubator" focuses more on the support services and expertise of valued advisors and service providers and less on physical business location.

The entrepreneurial program should be modeled after the National Business Incubation Association (NBIA) best practices approach and vetted through the entrepreneurial advisory panel (Figure 1-1). The local entrepreneurial advisory panel would consist of key economic development stakeholders, business leaders and professional service providers with interest in developing Huntersville's entrepreneurial capacity.

Figure 1-1: Iterative Process to Developing Incubators



Common elements of this approach would include:

- ***Initiate a virtual entrepreneurial incubator program*** – The Consultant recommends the Town, preferably in collaboration with LNREDC and CPCC, initiate this effort through a virtual approach, not limiting the program to a specific industry, service or even a physical location. Initial interest will help stakeholders determine a more definitive business approach before any substantial investment of money. The virtual aspect of the program provides the supportive business services (e.g., business planning, accounting, mailing services, etc.) and business advisory support (e.g., mentorship) without the overhead cost of a physical location or building.

- ***Partner outreach effort*** **–** Concurrently to the virtual program launch, the Town should initiate a comprehensive outreach effort to potential partners (i.e. CPCC, potential investors...) to gauge interest and investment requirements. This effort is a critical component of this effort, and likely will define the potential for program expansion. Seeking investors, partners, and funding sources simultaneously with identifying potential users will aid in the business planning process. CPCC's Small Business Center could be a key ally in the effort to set up a functional program for nurturing entrepreneurship.

- ***Development of a business plan*** **–** Once the business incubator consortium is able to identify interest patterns from prospect, investors, and mentors, the staff will be better positioned to create a viable business plan. The business planning effort should solicit input from investor groups that express interest during the outreach phase.

- ***Establish public-private partnership to operate the program*** **–** While Huntersville should lead the creation of an entrepreneurial program, the time and resources necessary to run the program likely will require a partnership of several entities (public and/or private). It is recommended that a joint venture/PPP be created to spread the responsibility and the risk.

- ***Secure physical space*** **–** If the process reaches this phase, the business incubator consortium should identify the appropriate space. It is important to note that the cheapest space is not always the most advantageous. Amenities such as shared reception, shared cost centers (i.e. phone, internet, and publishing, marketing...) also have value.

- ***Replicate efforts as needed*** **–** Given the size and growth of Huntersville (from both a population and physical standpoint) a single facility may not accommodate the potential demand/opportunity for small business development. Additional facilities will be necessary if the initial concept focuses on a specific industry or service.

b.) Mentorship Program

A business development mentorship program pairs successful entrepreneurs with individuals with a business concept, but limited resources or understanding of starting, operating, and growing a business. In general, a mentorship program pairs an existing industry leader with a person interested in opening a business in that industry. These programs provide local entrepreneur's access to someone who has "been there" within their industry, adding confidence in the advice and direction provided. Having a local mentor also provides stability, as the relationship created can carry forward after the program has served its purpose. The participant typically signs an agreement to operate for a certain period within the boundaries of the program (the Town in this case) or pays a mentorship fee. The business incubator consortium should recruit Huntersville business people with the appropriate backgrounds to become mentors. There are those who currently serve in this capacity on an informal basis. It is recommended that the consortium utilize a training program for its mentors to ensure consistent and successful efforts (i.e. the Mentor-Protégé Program through the Small Business Administration).

5. Downtown Revitalization

Huntersville is at a key juncture in the redevelopment of its downtown, and is in a position to capitalize on the momentum generated from the recent construction of the Town Center building and adjacent municipal garage. If the delivery of the RLRR Project comes to fruition and a commuter rail station locates in the downtown, successful redevelopment is almost assured. While the RLRR Project could certainly be a catalyst for downtown redevelopment, Town efforts should proceed independently for the following reasons:

- Momentum has been created through the public and private investment in the Town Center Project;
- Several plans have prioritized redevelopment of the downtown (i.e., 2030 Community Plan, Downtown Master Plan, East Huntersville Development Plan), including the town-owned Anchor Mill site;
- The current concept calls for a downtown with people living, working and playing within a reasonable walking distance;
- A redeveloped downtown will create employment supporting space on otherwise vacant and underutilized land, helping to support economic development objectives while relieving development pressure on greenfield properties;
- The downtown is in an optimum location to serve as the main activity center, potentially offering shopping, dining and entertainment opportunities for the residential neighborhoods just to the east, within walking distance, and the employment cluster to the west, within a short drive;
- Public investment in infrastructure will leverage private investment through redevelopment that will generate net new tax revenues;
- A revitalized downtown will create a sense of place and renewed pride in Huntersville. Downtowns are the traditional focal point in most communities, and are a source of identity to most residents.

The following steps are recommended to implement Huntersville's downtown revitalization:

a.) *Organization*
Create a steering committee dedicated solely to the task of downtown revitalization, consisting of both public and private stakeholders. The organization could include: public officials, downtown business owners, downtown property owners, bank chairpersons, citizens groups and individual citizens, non-profit organizations and others, as appropriate.

b.) *Public Engagement*
It is important to enlist the community early on. At the outset of the effort, the steering committee should hold a public meeting to describe the group's intentions and solicit support. The first meeting also provides the opportunity to recruit community participants.

c.) *Planning*
The planning process should focus on the following steps:

- Inventory and Assessment of previous planning efforts;
- Analysis of current demographic and real estate market trends;
- Development of a consensus plan which incorporates previous planning efforts;

- Preparation of a strategic plan to implement goals and objectives for downtown revitalization;
- Identification and mobilization of resources to implement downtown revitalization;
- Evaluation, and modification of strategic revitalization process as necessary.

The planning process should build on the development concepts already created for the downtown incorporating infrastructure improvements, landscaping, and urban design with a flexible, mixed use, transit oriented development program. The plan should also incorporate intentional community engagement, support and collaboration.

c.) *Public Improvements*

Two of the Town's planned capital improvement projects will directly contribute to the viability of the revitalization of Huntersville's downtown. These projects include a major upgrade to the intersection of US 21 (Statesville Road) and Gilead Road, and Main Street upgrades that will significantly enhance future traffic movements and revitalization of the downtown. Implementation of these system improvements will be greatly beneficial to downtown and lead to the enhancement of the town's tax base. A major initiative of the downtown revitalization process will be to prioritize these two transportation improvement projects. In addition, the Town is moving ahead with the design and construction of a new park (to be known as "Veterans Park") between Main Street and Maxwell Avenue just north of Huntersville-Concord Road. This park will feature a 6,000 square foot, multi-purpose building, parking, lawn area and children's playground and monuments recognizing the various branches of the armed services. This park will play a valuable role in reactivating the downtown, providing an important attraction and amenity to support future redevelopment.

d.) *Implementation*

A larger redevelopment effort involving multiple developers at the same time ensures greater investment safety and security than small, sequential, one-at-a-time projects. The Town should lead with the development of the largest tracts of public property, possibly aggregating more property for resale through joint purchase and sale agreements, direct development by adjoining property owners, outright purchase, and/or joint development agreements.

2 INTRODUCTION

A. REPORT OVERVIEW

Huntersville's purpose in developing a Strategic Economic Development Plan (SEDP) is to promote job creation, private investment and tax base expansion while maintaining a high quality of life, including preservation of the Town's natural, scenic, cultural and historic assets. The Town is to be commended on its economic development efforts to date through an active business retention and expansion program, managed by the combined efforts of the Town of Huntersville and the Lake Norman Regional Economic Development Corporation. Therefore, the main objective of the SEDP is to build upon previous efforts by the Town and LNREDC to provide a vision and action plan to guide economic development activity in Huntersville over the next 15 years.

Huntersville's rapid population growth is well documented, growing from just over 3,000 in 1990 to over 50,000 in just 23 years. The Town's employment base has grown dramatically as well, but at a slower rate than population, which has resulted in a diverse tax base but an imbalance of jobs to residents. Given the pace of population and employment growth, the Town's stakeholders have recognized the necessity of proactively planning and implementing an economic development strategy whose outcome they can more effectively control.

RKG Associates, Inc. was selected to assist Huntersville in crafting the SEDP. In the course of the work program, RKG professionals reviewed relevant plans and documents, and interacted with key stakeholders including municipal staff, local real estate professionals and developers, business leaders, economic development practitioners, and others. Stakeholder input provided local context for analyzing other key aspects of Huntersville's economic environment, including industry trends and land use dynamics.

A key task of the work program was the target industry analysis, the objective of which is to identify and target business sectors offering the highest probability of success for Huntersville. The analysis examined the economic relationships among the local business sectors to identify industries enjoying a competitive advantage, whether related to location, natural resources, vendor relationships, access to transportation, workforce availability, or a myriad of other factors.

The findings of the work program informed the synthesis of an action plan that comprises sequential and concurrent tasks. The resulting strategic plan for economic development details the opportunities and corresponding actions that will maximize Huntersville's ability to leverage its resources while positioning itself to improve efficiency and effectiveness. The findings and recommendations of the Town of Huntersville Strategic Economic Development Plan are organized in this report in the following chapters:

- **Chapter 1 – Executive Summary**
- **Chapter 2 – Introduction**
- **Chapter 3 – Socioeconomic Analysis**
- **Chapter 4 – Real Estate Market Analysis**
- **Chapter 5 – Industry Target and Cluster Analysis**
- **Chapter 6 – Implementation Strategy**

3 SOCIOECONOMIC ANALYSIS

A. INTRODUCTION

The following chapter analyzes demographic trends and projections in areas such as population, households, income, education attainment, and employment data. The analysis focuses on trends and conditions within the Town of Huntersville, but includes comparative data for Mecklenburg County, the surrounding region and the entire State of North Carolina. The data provides insight into local and regional growth trends as well as projected future growth patterns. These factors provide the framework for understanding the economic activity in the Town. RKG utilized several public and private data sources to complete the analysis including the U.S. Census Bureau, ESRI (Site To Do Business)[1], and Demographics Now.

Population, household, and income trend data provided by ESRI includes decennial data from the U.S. Census Bureau summarized for users in the real estate industry. ESRI incorporates projection data developed by their proprietary approach. RKG Associates uses this data unless otherwise noted. Data in tables is generally categorized by geographic area, with the Town of Huntersville, Mecklenburg County and the State of North Carolina listed separately for comparison purposes.

B. DEMOGRAPHIC TRENDS

1. Population Trends and Projections

Information obtained from ESRI based on U.S. Census data indicates that Huntersville has experienced extremely robust population growth since 1990. The Town's population increased from 3,014 residents in 1990 to 50,743 (1,584%) in 2013 according to estimates. The Town's population essentially doubled from 2000 to 2013. Projections by ESRI indicate that the population of Huntersville will continue to increase to approximately 58,600 residents by 2018, at an annual growth rate of 3.1%.

For comparison, Mecklenburg County experienced a population increase of approximately 480,000, or 94%, from 1990 to 2013. During this same time frame the State of North Carolina also experienced robust growth, although more modest than Huntersville or Mecklenburg County, at 47%. Key factors driving Huntersville's population growth are regional demand for housing, the availability of developable land, and the attractive lifestyle qualities associated with proximity to Lake Norman along with proximity to Charlotte, a major

Table 3-1
Population Trends
1990-2018

	1990	2000	2010	2013	2018
POPULATION COUNT					
Huntersville	3,014	25,816	46,312	50,743	58,598
Mecklenburg Co.	511,433	695,457	919,628	991,489	1,088,317
North Carolina	6,628,637	8,049,313	9,535,471	9,759,332	10,365,298
PERCENT CHANGE IN POPULATION					
Huntersville	—	756.5%	79.4%	9.6%	15.5%
Mecklenburg Co.	—	36.0%	32.2%	7.8%	9.8%
North Carolina	—	21.4%	18.5%	2.3%	6.2%
ANNUAL PERCENT CHANGE IN POPULATION					
Huntersville	—	75.7%	7.9%	3.2%	3.1%
Mecklenburg Co.	—	3.6%	3.2%	2.6%	2.0%
North Carolina	—	2.1%	1.8%	0.8%	1.2%

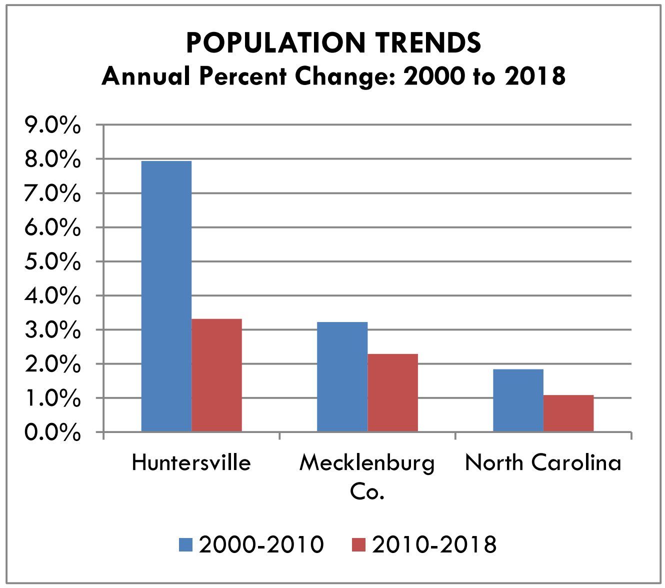
Source: Site To Do Business; RKG Associates 2014

[1] ESRI is an internationally renowned data vendor of socioeconomic and market data.

employment center for Huntersville Residents (Table 3-1).

Like many southern and sunbelt States, North Carolina experienced strong population growth in recent decades. The continued relocation of jobs from other parts of the U.S. in addition to the influx of retiring Baby Boomers has swelled the region's population base. The Charlotte region has also benefitted from a strong, diverse and growing economy. As a result of regional growth and the ability of Huntersville to absorb demand, population grew at an annual rate of 7.9% from 2000 to 2010 and 3.2% from 2001 through 2013. Population growth in Huntersville and Mecklenburg County is projected to proceed at annual rates of 3.1% and 2.0%, respectively, through 2018, compared to 1.2% for the state (Figure 3-1).

Figure 3-1



Source: ESRI and RKG Associates, Inc., 2014

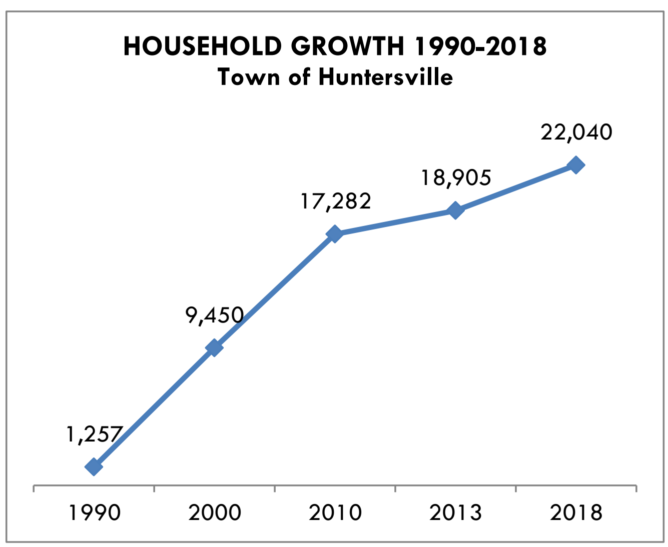
2. Household Trends

Household growth trends typically parallel population trends. However, decreases in the average size of households is a contributing factor in the acceleration of this growth at a faster rate than population, as discussed in more detail below. In Huntersville, the number of households went from a mere 1,257 in 1990 to 18,905 in 2013, and is expected to exceed 22,000 by 2018 (Figure 3-2). Mecklenburg County saw an increase in households of over 190,000 from 1990 to 2013, showing just how strong a factor regional growth has been on the growth in Huntersville, which essentially absorbed just over 9% of the new households in the county during this period. Of course, the direct result of a dramatic increase in households is a residential construction boom, which has been continuously underway in Huntersville since 1990.

Based on data provided by ESRI the average household sizes vary between comparative areas, but remained fairly consistent from 2000 to 2010. Huntersville had the largest average household size in 2010 of 2.67, up from 2.63 in 2000. Mecklenburg County and the State of North Carolina were both more consistent with average household sizes of 2.49 each in 2010 and 2000.

Contrary to household trends in the subject geographies, a general decline in average household size has been observed nationally, as there are increasing numbers of single-adult households, one-parent households, and generally lower fertility rates than in the past. Smaller household size could also be the result of an increase in the "empty-nest" retirement age

Figure 3-2



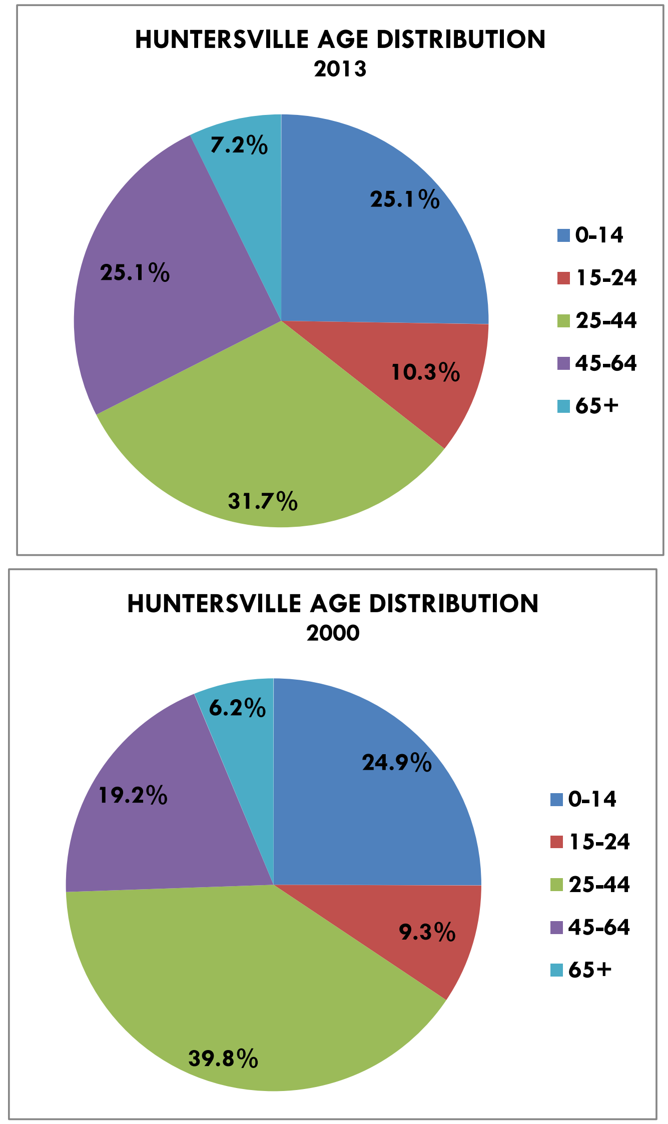
Source: ESRI and RKG Associates, Inc., 2014 population consisting largely of couples who no longer have children living with them. Huntersville has a large proportion of population in the 25 to 44 age cohort that are the prime child rearing years, likely accounting for the larger average household sizes.

3. Population by Age

The population of Huntersville is consistent with the region, but gradually aging nonetheless. The 2013 median age in Huntersville was estimated at 35.5 years, compared to 33.5 years in 2000. This is nearly identical to the Charlotte MSA at 35.6 in 2013, up from 34.1 in 2000.

When analyzing population trends by age groups, it is important to examine shifts in real numbers. In Huntersville, all of the age cohorts increased in real numbers. During the 2000 to 2013 period, the largest real increase was in the 45-64 age group (prime earning years), which added 7,802 (Figure 3-3). The second largest increase was in the 0-14 age cohort, which grew by 6,353, and likely contributed to the relatively large average household size in Huntersville. The 25-44 age cohort increased by 5,856, the 15-24 age cohort increased by 2,815, and the 65+ age cohort, generally considered to be retirees, increased 2,099. The combined 25-64 age cohort is an important demographic since persons in these age groups represent the prime years when adults marry, form families, and engage in the most productive phases of their careers. The population within this age range also forms the segment of the population that spends the most on goods, services, and housing. In 2000, the total of the two groups representing the 25 - 64 age cohort comprised 57% of the Town's total population, increasing to 59% in 2013.

Figure 3-3



Source: ESRI and RKG Associates, Inc., 2014

From an overall perspective, the general trend in Huntersville has been an increase in the working age population. The implications for economic development are positive, since a growing workforce is necessary to sustain a growing economy.

4. Household Income

Household income data indicates a level of relative prosperity in Huntersville, whose median income has consistently exceeded the county and state in over the past thirteen years. Huntersville's rate of increase in median household income has also consistently surpassed the county and state. In 2013, Huntersville's median household income was estimated to equal $78,243, compared to $53,703 in the county and $45,442 in the state (Table 3-2).

An examination of Huntersville economic base shows growth trends in higher paying industry sectors such as advanced manufacturing, finance, professional, scientific and technical services, management of companies, and health care, analyzed in more detail in the Economic Base Analysis.

Table 3-2
Household Income
2000-2018

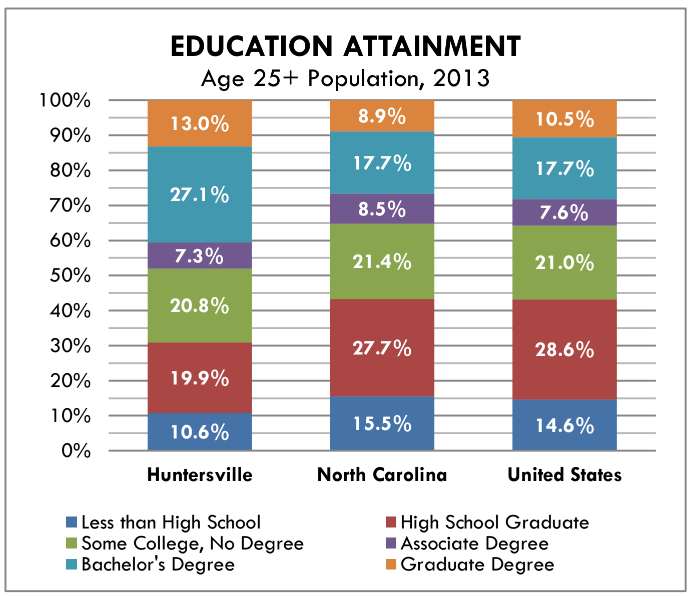
	2000	2010	2013	2018
HUNTERSVILLE				
Under $25,000	15.2%	11.0%	11.2%	9.2%
$25,000 to $49,999	28.3%	18.6%	18.6%	16.0%
$50,000 to $99,999	55.3%	32.5%	32.5%	31.4%
$100,000 to $149,999	21.7%	22.4%	22.1%	25.0%
Over $150,000	8.6%	14.0%	15.1%	17.9%
Median Income	$68,071	$77,838	$78,243	$88,327
Median Percent Change		14.3%	0.5%	12.9%
MECKLENBURG COUNTY				
Median Income	$50,747	$53,525	$53,703	$62,191
Median Percent Change		5.5%	0.3%	15.8%
NORTH CAROLINA				
Median Income	$39,249	$44,636	$45,442	$51,797
Median Percent Change		13.7%	1.8%	14.0%

Source: Demographics Now; RKG Associates

5. Education Attainment

The education attainment of Huntersville's labor force is a significant factor in supporting efforts to expand economic development and attract new employers. Figure 3-4 illustrates the educational attainment levels of the population 25 years and older for the Town, state and nation as of 2013. Huntersville has the largest proportions of population with bachelors and graduate degrees among the three comparative areas. Huntersville's 27.1% proportion of bachlors degrees is significantly higher than the state and nation, both at 17.7%. Likewise, the proportion of graduate degrees was 13%, compared to 8.9% in the state and 10.5% in the nation. This finding is a positive, when considering expanding economic development recruitment for industries requiring highly skilled workers.

Figure 3-4



Source: ESRI and RKG Associates, 2014

In an area with an expanding specialty manufacturing sector, the importance of Associate Degrees cannot be overstated, since community colleges' programs are often oriented to developing skills that can be directly applied to local industries in both white and blue collar jobs. The Town is fairly well positioned to compete for skilled blue collar jobs and mid-level white collar jobs. Although data show a small proportion of Associate Degrees (7.3%) compared to the state (8.5%) and nation (7.6%), many students who acquire the practical skills through community college programs often progress to bachelors and graduate degrees. Continuing to encourage growth in the vocational and technical training that the community college provides serves to ensure a local pool of talent that specialty manufacturing and other sectors can draw from.

The Town's population with high school degree attainment levels (20.8%) is roughly comparable to the state (21.4%), as well as the nation (21%). This suggests that there is a portion of the labor supply suited for entry level positions to support businesses as well. This is particularly important for service sectors that do not require specialized skills and can train their staff for a variety of positions on the job.

C. ECONOMIC BASE ANALYSIS

The economic base analysis examines changes in the labor force and business characteristics of Huntersville and also provides comparisons to relevant regional areas in an effort to understand and frame the economic opportunities for the Town. This analysis includes data on employment, major employers, labor force and unemployment trends, occupational skills and commuting patterns, which will help to establish a context for evaluating the local and regional development potential.

1. Employment Trends

At-place employment measures the number of workers within a specific geography, without regard to place of residence. For example, in 2011 Huntersville had approximately 14,900 people who worked in the Town, but just over 2,000 who both lived and worked in the Town.

Table 3-3 presents private sector employment data for Huntersville between 2002 and 2011. The data is categorized based on the North American Industry Classification System (NAICS) which facilitates comparison over time and geographic location. Major industry sectors are identified by the two-digit NAICS code, which is the most detailed level of data reasonably obtainable for geographies smaller than the county level, for which more detailed data is available.

In 2011, the retail sector accounted for the highest number of workers with 2,630, followed by accommodations and food service with 2,109, health care with 1,722, wholesale trade with 960, and administration & support and waste management with 884 (Table 3-3)

Employment trends in Huntersville are positive and bode well for future economic development efforts. Huntersville added over 3,834 new jobs in the ten-year period. This represents a commendable annual job growth rate of 3.5%, compared to 1.1% for the county. Many of the job increases were in relatively high paying sectors (**red shaded**) such as: finance and insurance (488, or 223%); professional, scientific and technical services (444, or 103%); management of companies and enterprises (402, or 125%); health care (786, or 84%); and, manufacturing (251, or 41%). The increase in manufacturing jobs is notable because the county overall lost over 20,000 manufacturing jobs, a 39% decrease.

Lower paying service sectors (**blue shaded**) also saw significant increases in employment, such as: accommodations and food service (814, or 63%); retail (767, or 41%); and, arts entertainment and recreation (471, or 117%). These industry sectors are largely driven by population and households, and reflect the growth of both.

Table 3-3
At-Place Employment by Industry 2002-2011 Trends
Huntersville, NC

NAICS*	DESCRIPTION	2002	2011	NET	TREND	PERCENT	AVG. ANN. WAGE
	TOTAL ALL JOBS	**11,062**	**14,896**	**3,834**	↑	35%	
11	Agriculture, forestry, fishing & hunting	28	4	(24)	↓	N/A	$29,796
21	Mining, oil and gas extraction	2	1	(1)	↓	N/A	$48,620
22	Utilities	0	1	1	↑	N/A	$93,340
23	Construction	1,199	783	(416)	↓	-35%	$56,732
31-32	Manufacturing	614	865	251	↑	41%	$67,548
42	Wholesale trade	1,159	960	(199)	↓	-17%	$67,288
44-45	Retail trade	1,863	2,630	767	↑	41%	$29,380
48-49	Transportation and warehousing	327	165	(162)	↓	-50%	$49,868
51	Information	91	147	56	↑	62%	$81,536
52	Finance & insurance	219	707	488	↑	223%	$103,948
53	Real estate & rental & leasing	126	137	11	↑	9%	$56,940
54	Professional, scientific & technical services	433	877	444	↑	103%	$78,260
55	Management of companies & enterprises	321	723	402	↑	125%	$116,948
56	Admin. & support, waste management	1,278	884	(394)	↓	-31%	$43,160
61	Educational services	465	688	223	↑	48%	$38,688
62	Health care & social assistance	936	1,722	786	↑	84%	$55,848
71	Arts, entertainment & recreation	401	872	471	↑	117%	$41,860
72	Accomodation & food services	1,295	2,109	814	↑	63%	$18,200
81	Other services	163	443	280	↑	172%	$34,580
92	Public administration	142	178	62	↑	44%	$55,068

*North American Industry Classification System Code

Source: US Census LEHD Application; RKG Associates

Huntersville's employment trends were similar to Mecklenburg County's but more robust, with the exception of Manufacturing, where Huntersville experienced a 41% increase and the County a 39% decrease from 2002 to 2011. Manufacturing employment declined drastically in the county, from 51,622 in 2002 to 31,371 in 2011. Otherwise, many of the industry gainers were the same in the county, albeit growing at a smaller rate, and include Retail, Finance & Insurance, Professional Services, Management of Companies, Health Care, Arts and Entertainment, and Hotels and Restaurants (Table 3-4).

Table 3-4
At-Place Employment by Industry 2002-2011 Trends
Mecklenburg County, NC

NAICS*	DESCRIPTION	2002	2011	NET	TREND	PERCENT	AVG. ANN. WAGE
	TOTAL ALL JOBS	**515,900**	**570,153**	**54,253**	↑	11%	
11	Agriculture, forestry, fishing & hunting	877	836	(41)	↓	-5%	$29,796
21	Mining, oil and gas extraction	166	115	(51)	↓	-31%	$48,620
22	Utilities	3,220	2,281	(939)	↓	-29%	$93,340
23	Construction	31,076	24,357	(6,719)	↓	-22%	$56,732
31-32	Manufacturing	51,622	31,371	(20,251)	↓	-39%	$67,548
42	Wholesale trade	38,967	39,891	924	↑	2%	$67,288
44-45	Retail trade	53,228	54,915	1,687	↑	3%	$29,380
48-49	Transportation and warehousing	28,191	26,220	(1,971)	↓	-7%	$49,868
51	Information	21,489	18,056	(3,433)	↓	-16%	$81,536
52	Finance & insurance	38,855	52,081	13,226	↑	34%	$103,948
53	Real estate & rental & leasing	8,782	9,928	1,146	↑	13%	$56,940
54	Professional, scientific & technical services	32,940	46,316	13,376	↑	41%	$78,260
55	Management of companies & enterprises	21,664	24,963	3,299	↑	15%	$116,948
56	Admin. & support, waste management	41,954	50,750	8,796	↑	21%	$43,160
61	Educational services	28,005	33,746	5,741	↑	20%	$38,688
62	Health care & social assistance	45,529	68,198	22,669	↑	50%	$55,848
71	Arts, entertainment & recreation	8,010	12,466	4,456	↑	56%	$41,860
72	Accomodation & food services	35,326	46,949	11,623	↑	33%	$18,200
81	Other services	14,425	13,655	(770)	↓	-5%	$34,580
92	Public administration	11,574	13,059	62	↑	1%	$55,068

*North American Industry Classification System Code

Source: US Census LEHD Application; RKG Associates

2. Major Employers

Table 3-4 lists Huntersville's largest private sector employers and identifies their product or service provided. The list was acquired from larger list of the 31 top employers in the Lake Norman Region, of which 17 are located in Huntersville. Of the 17 top private sector employers in Huntersville, 10 are in the specialty manufacturing sector which, contrary to regional and national trends, is growing in Huntersville.

Table 3-5
Major Employers 2013
Town of Huntersville

Rank	Company Name	Industry	Specialty	Employment
1	McGuire Nuclear Station	Utilities	Electrical power genration	1,200
2	Novant	Health Care	Hospitals & physician practices	690
3	Metrolina Greenhouses	Agriculture	Wholesale plants and services	650
4	Joe Gibbs Racing	Entertainment	NASCAR racing team	425
5	Rubbermaid	Manufacturing	Rubber & plastic products	400
6	American Tire Distributers	Wholesale Trade	Tire distributors	350
7	Pactiv Corporation	Manufacturing	Food packaging products	315
8	GM Financial	Finance	Auto loan financing & leases	300
9	Forbo Siegling	Manufacturing	Belts: conveyor, transmission, etc.	280
10	SABIC Innovative Plastics	Manufacturing	Plastic products	211
11	SAERTEX USA	Manufacturing	Industrial fabrics	200
12	Irwin Tools	Manufacturing	Hand tools & power tool accessories	200
13	Town of Huntersville	Public Administration	Local government	100
14	ABB	Manufacturing	Transmission cables	114
15	Max Daetwyler	Manufacturing	Specialty printing parts & machining	95
16	DM Bowman	Transportation	Transportation, warehousing, logistics	70
17	Microban International	Manufacturing	Antimicrobial solutions	66
18	Keller Technology	Manufacturing	Custom engineering and manufacturing	61

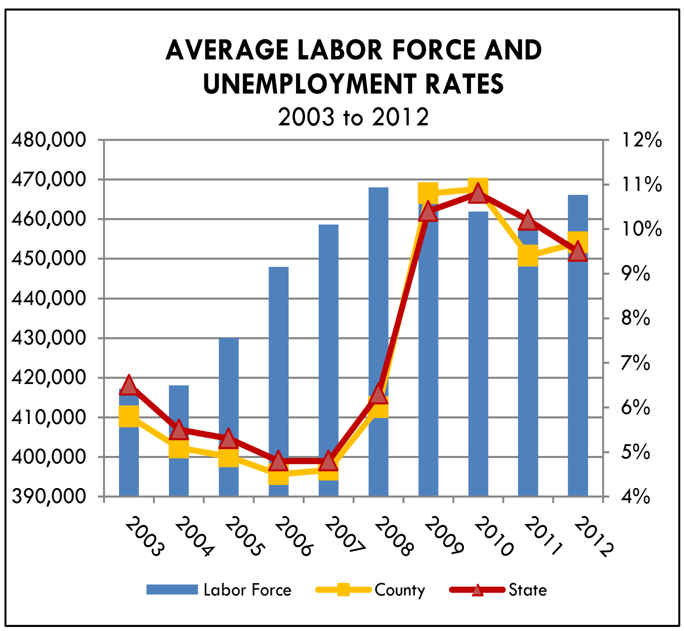
Source: Lake Norman Regional Economic Development Corporation and RKG Associates, Inc. 2014

3. Labor Force and Unemployment Trends

The labor force and unemployment rate are measures of the size of a region's active, resident worker base, as well as their current employment status. The labor force includes workers who are currently employed, unemployed, or actively looking for work. Mecklenburg County's labor force increased in size considerably over the past decade (2003-2012), from under 420,000 in 2003 to over 460,000 in 2013, in spite of a downturn from 2009 to 2011.

Unemployment rates in Mecklenburg County generally followed state trends until 2009, when the effects of the national recession began to take hold. The finance industry, a key sector in the Charlotte marketplace, was particularly hard hit by the collapse of the housing market as evidenced by the spike in unemployment in 2009 and 2010 (Figure 3-5).

Figure 3-5



Source: Bureau of Labor Statistics; RKG Associates, 2014

4. Regional Comparison

The distribution of employment by industry in Huntersville is different than the county in that employment in the relatively lower paying service sectors is more pronounced. Retail accounts for 17.7% of at-place employment compared to 9.6% in the county, and accommodation and food services accounts for 14.2% of the at-place employment in the Town compared to 8.2% in the county. Likewise, arts, entertainment and recreation account for 5.9% of at-place employment compared to 2.2% in the county. Manufacturing jobs in the Town are 5.8% of at-place, compared to 5.5% in the county, and construction accounts for 5.3% of at-place compared to 4.3% in the county. In all other sectors, the county's proportions are higher (Table 3-6).

Table 3-6
At-Place Employment by Industry 2011
Huntersville and Mecklenburg County

NAICS*	DESCRIPTION	Huntersville	Percent	Mecklenburg County	Percent
	TOTAL ALL JOBS	**14,896**	**100.0%**	**570,153**	**100.0%**
11	Agriculture, forestry, fishing & hunting	4	0.0%	836	0.1%
21	Mining, oil and gas extraction	1	0.0%	115	0.0%
22	Utilities	1	0.0%	2,281	0.4%
23	Construction	783	5.3%	24,357	4.3%
31-32	Manufacturing	865	5.8%	31,371	5.5%
42	Wholesale trade	960	6.4%	39,891	7.0%
44-45	Retail trade	2,630	17.7%	54,915	9.6%
48-49	Transportation and warehousing	165	1.1%	26,220	4.6%
51	Information	147	1.0%	18,056	3.2%
52	Finance & insurance	707	4.7%	52,081	9.1%
53	Real estate & rental & leasing	137	0.9%	9,928	1.7%
54	Professional, scientific & technical services	877	5.9%	46,316	8.1%
55	Management of companies & enterprises	723	4.9%	24,963	4.4%
56	Admin. & support, waste management	884	5.9%	50,750	8.9%
61	Educational services	688	4.6%	33,746	5.9%
62	Health care & social assistance	1,722	11.6%	68,198	12.0%
71	Arts, entertainment & recreation	872	5.9%	12,466	2.2%
72	Accomodation & food services	2,109	14.2%	46,949	8.2%
81	Other services	443	3.0%	13,655	2.4%
92	Public administration	178	1.2%	13,059	2.3%

[1]North American Industry Classification System Code

Source: US Census On the Map Application; RKG Associates

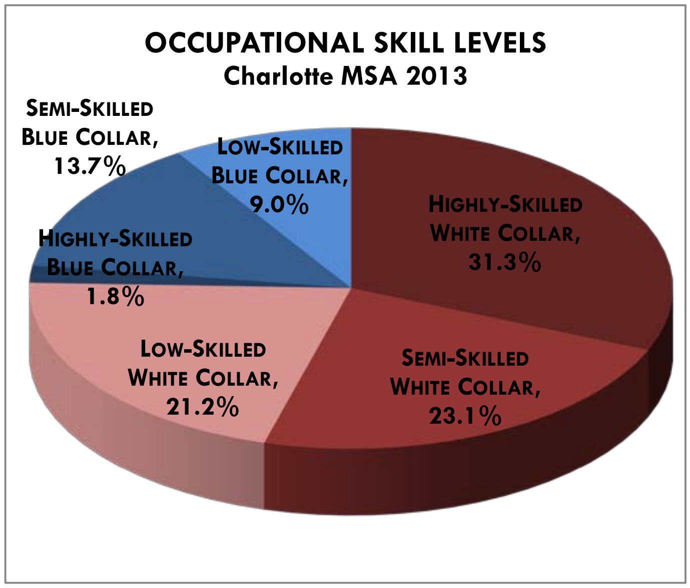
5. Occupational Skill Levels

Detailed occupational data for the Charlotte MSA (from which Huntersville draws its workforce) for 2013 was obtained from the North Carolina Department of Commerce and categorized by job type and skill level (Figure 3-6). These groupings were derived from the consultant's knowledge regarding the skill and educational requirements of general occupational categories. Although it is difficult to group occupational categories in this manner with great precision, the results provide some indication of the distribution and diversity of skills available within the labor force. The occupational categories and their descriptions are as follows:

- Highly-Skilled White Collar (HSWC) – a professional position requiring a college degree, with supervisory/ management responsibility or specialized training while working within a white-collar work environment.

- Highly-Skilled Blue Collar (HSBC) – a trade or non-professional position requiring less than an advanced degree, but some post-secondary education, a certificate, or specialized training or skill while working within a white collar work environment.

Figure 3-6



Source: NC Department of Commerce; RKG Associates, 2013

- Semi-Skilled White Collar (SSWC) – a professional position requiring less than an advanced degree, but some post-secondary education, a certificate, or specialized training or skill while working within a white collar work environment.

- Semi-Skilled Blue Collar (SSBC) – a trade position requiring less than an advanced or trade school degree but requiring some specialized training or skill, while working within a blue collar environment.

- Low-Skilled White Collar (LSWC) – a position within a white collar work environment requiring no degree or formal schooling beyond high school, but requiring some on-the-job training.

- Low-Skilled Blue Collar (LSBC) – a position within a trade profession requiring no advanced degree or formal schooling, but requiring some on-the-job training.

Given the impact of retail and other service-related positions, and other more highly skilled white collar sectors, a 76% concentration of white collar employment is not surprising. To the area's benefit, the largest subgroup in the white collar category is highly skilled.

The data indicates that nearly 70% of local workers are classified as high-skilled or semi-skilled workers. The relatively low concentration (15.5%) of labor classified as high- and semi-skilled blue collar workers may seem to present a challenge in terms of growing and supporting production-based industries. However, this is more a reflection of industry employment, and there is no reason to believe that skill sets within the high and semi-high white collar industries cannot be transferred to blue collar industries as demand warrants. Indeed, the combination of a manufacturing sector on the rise and a diverse, skilled workforce would suggest that production based industries present opportunities for future growth (Figure 3-6 and Table 3-6).

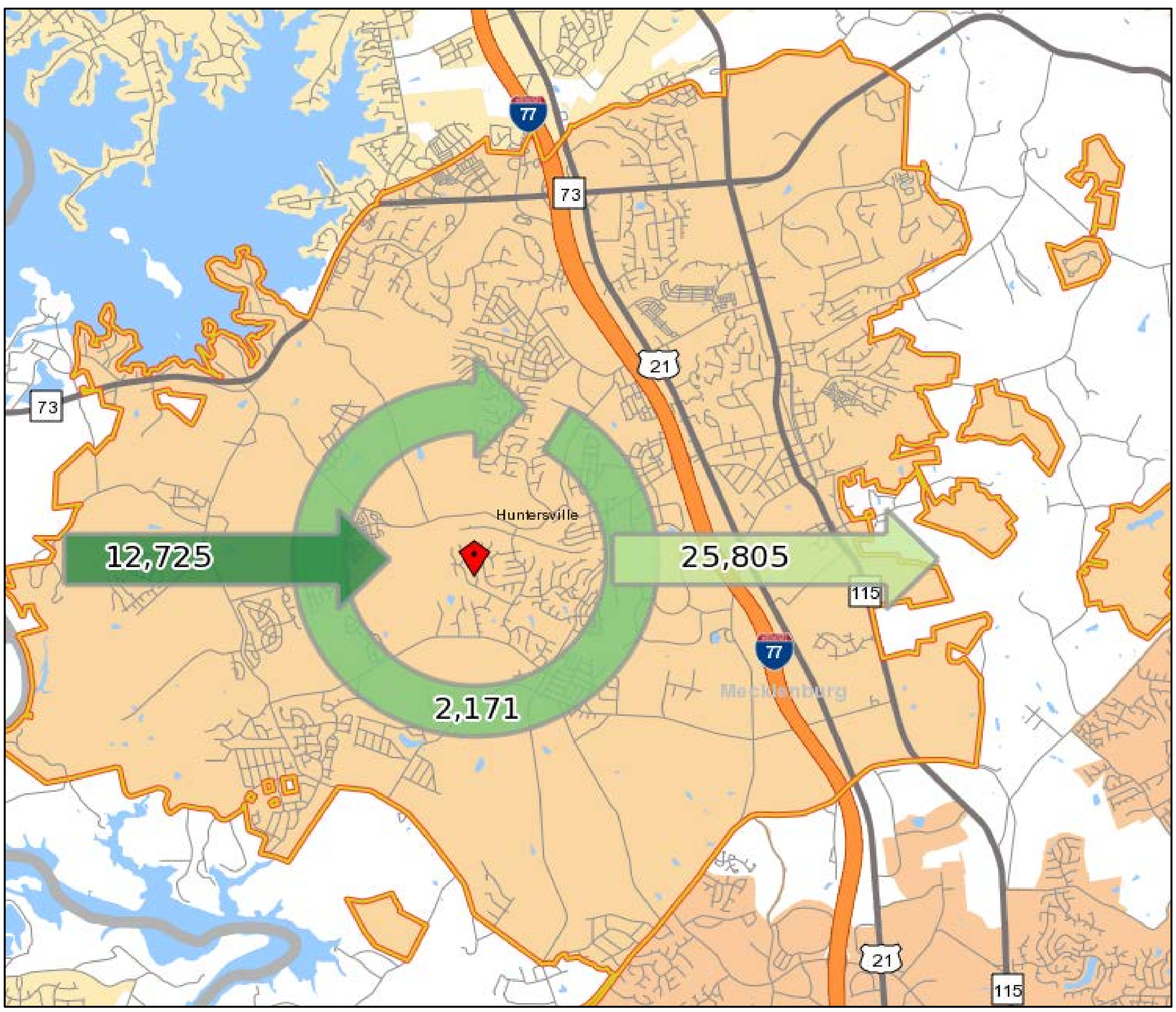
5. Commuting Patterns

Understanding commuting patterns can provide useful insight into evaluating potential actions in developing an economic development strategy. Commuting patterns highlight the flow of workers into, and out of, a given labor market area and as such, can help to indicate where there may be potential to capture additional jobs that are "leaking" from the local economic base.

Figure 3-7 illustrates 2011 commuting patterns for at-place workers and residents of Huntersville. Of the 14,896 persons employed in Huntersville, 2,171 (15%) are Huntersville residents, and 12,725 (85%) live outside the Town. Commuters who leave Huntersville to work elsewhere numbered 25,805. Of this number, the most popular commuting destination is Charlotte (39.4%), while the remainder commute to a variety of urban and suburban destinations such as Raleigh-Durham, Winston-Salem, Cornelius and Davidson.

The net importing of labor and the outflow of residents to outside workplaces suggest that Huntersville has not yet matured as an inner-ring employment center. In 2011, the Town's jobs to resident ratio was an estimated 32% compared to the county's 62%. Although Huntersville has been adding jobs at a robust rate of 3.5% over the past ten years, it has added population and households at an even faster rate. In most mature communities, the number of jobs is equal to roughly 50% of the population.

Figure 3-7



Source: US Census; RKG Associates, 2013

D. IMPLICATIONS

Although Huntersville has experienced explosive population and household growth since 1990, it has also been successful in adding jobs in a diverse array of industries at the rate of 3.5% per year. The proportion of population in the 45-64 age cohort (prime earning years) expanded from 19.2% in 2000 to 25.1% in 2013, adding over 10,000 persons in real numbers, which is consistent with growth and stability in relatively high paying employment sectors. In real numbers the 25-44 age cohort, which includes those in the child rearing years and the young workforce, grew by nearly 6,900. Of course, all other age groups added population as well. Increases in workforce are critical to maintaining an adequate supply of workers to area businesses, which added over 3,800 jobs in Huntersville and over 54,000 in the county during this period.

Huntersville's businesses have a highly skilled regional workforce from which to draw. Educational attainment levels within the county are excellent and should help support economic development activities. Consideration should be given to expanding graduates with Associates Degrees and other technical training to build on the Town's existing strengths and position it for job growth in specialized manufacturing.

The growth in households and household incomes have fueled retail development in Huntersville, an important sector for employing young workers and the Town's largest industry sector. Employment trends in Huntersville's relatively modest manufacturing sector performed contrary to overall county trends, adding 251 employees and growing by 41% from 2002 to 2011. However, Huntersville's manufacturing employment peaked in 2010 with over 1,000 employed. The Finance sector suffered significant losses in employment in 2009 and 2010 in both the Town and the county, but has come back higher to pre-2009 employment levels. Overall, the Town experienced 35% job growth from 2002 to 2011 compared to 11% for the county.

Finally, commuting patterns of Huntersville's labor force within the region suggests that the Town may be losing jobs to other locations based on the net flow of workers into, and out of, Huntersville. Further examination the skills and jobs associated with these workers who are commuting out of the Town for employment could help to identify additional economic opportunities for business development in Huntersville.

4 REAL ESTATE MARKET ANALYSIS

A. INTRODUCTION

This chapter examines recent real estate trends within the town, as well as the adjoining region, with a focus on office, industrial and retail market forces that are shaping Huntersville's development environment. The analysis includes factors such as existing inventory of buildings, development trends over the past decade, vacancy and absorption rates, and sales values/lease rates. In addition, RKG Associates conducted a number of interviews with local development and real estate professionals in order to understand the nuances of the market and to gain an "in-the-field" perspective on the potential demand and speculative investment climate.

Data was gathered from a number of sources, both public and private, including: the Town of Huntersville; the Mecklenburg County Tax Assessor's database; the LNREDC; Lincoln Harris; and, the Karnes Reports, a commercial real estate market tracking and reporting service.

For the purposes of this analysis, the Huntersville study area was subdivided into ten (10) economic development zones to discern development patterns over time (Figure 4-2), identify land uses by geographic location (Figure 4-3), and distinguish between residential and non-residential uses (Figure 4-4). Zones 1, 3, 5, 6, 7 and 8 encompass Huntersville's higher intensity development area, as defined in the **2030 Community Plan**, which is generally located within 2 miles of the I-77/Old Statesville Road corridor. Zones 2 and 4 are located on the west side of the town while Zones 9 and 10 are located on the east side of the town. These outer zones are located within the low intensity development areas identified in the **2030 Community Plan**.

B. NON-RESIDENTIAL ANALYSIS

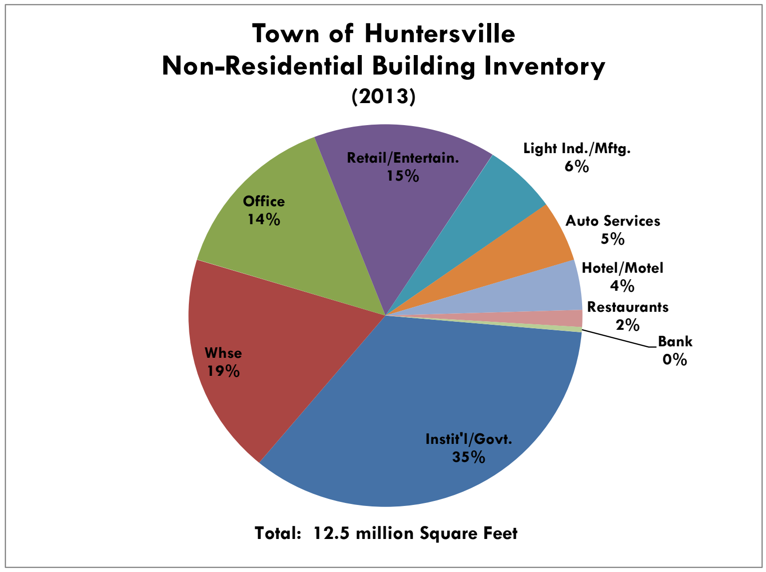
This section details the recent and historical real estate trends in the industrial and office markets that encompass and influence Huntersville's development environment. This nonresidential analysis reflects the most current market conditions and includes information such as building and land inventories, development trends, and lease and vacancy rates. The purpose of this analysis is to identify the existing competitive supply of real estate and provide estimates of potential future demand within the town.

Huntersville's industrial and office markets operate within the greater Charlotte metropolitan trade area. As such, it benefits from access to the regional labor pool and the area's overall attractiveness to businesses seeking to relocate and or expand, as well as startups. At the same time, it must compete with the other submarkets in the region that have their own economic development priorities. In addition, the demand for housing has far outpaced the demand for employment generating uses, which has had the effect of consuming land and increasing the demand for municipal services and resources. Nonetheless, Huntersville has been successful in adding new jobs at the rate of 3.5% per year for the past decade.

1. Non-residential Building Inventory – Huntersville

Based on a review of Huntersville's assessment records, a summary inventory has been compiled that illustrates the total building square footage for non-residential buildings in the town. The building uses presented in Table 4-1 and Figure 4-1 are generalized categories of the twelve actual use types listed in the database. In Figure 4-1, General Office and Medical Office are combined as one building type under the "Office" category, and Retail, Food and Drug Stores, and Entertainment are combined as one building type under the "Retail/ Entertainment" category, for illustrative purposes.

Figure 4-1



Source: ESRI: RKG Associates 2014

As shown, there was approximately 12.4 Million Square Feet (MSF) of non-residential building space in Huntersville as of 2013. Institutional and Government represents the largest portion of the inventory at 4.3 MSF or 35% of the total, and is comprised mainly of public school buildings. The second largest component is Warehouse at approximately 2.3 million square feet, of which 817,050 square feet was added after 2000. General Office space totals 1.5 million square feet, over half of which was built after 2000. Light Industrial/ Manufacturing is the fifth largest building type in terms of square feet at over 747,000 square feet, nearly half of which was developed post 2000.

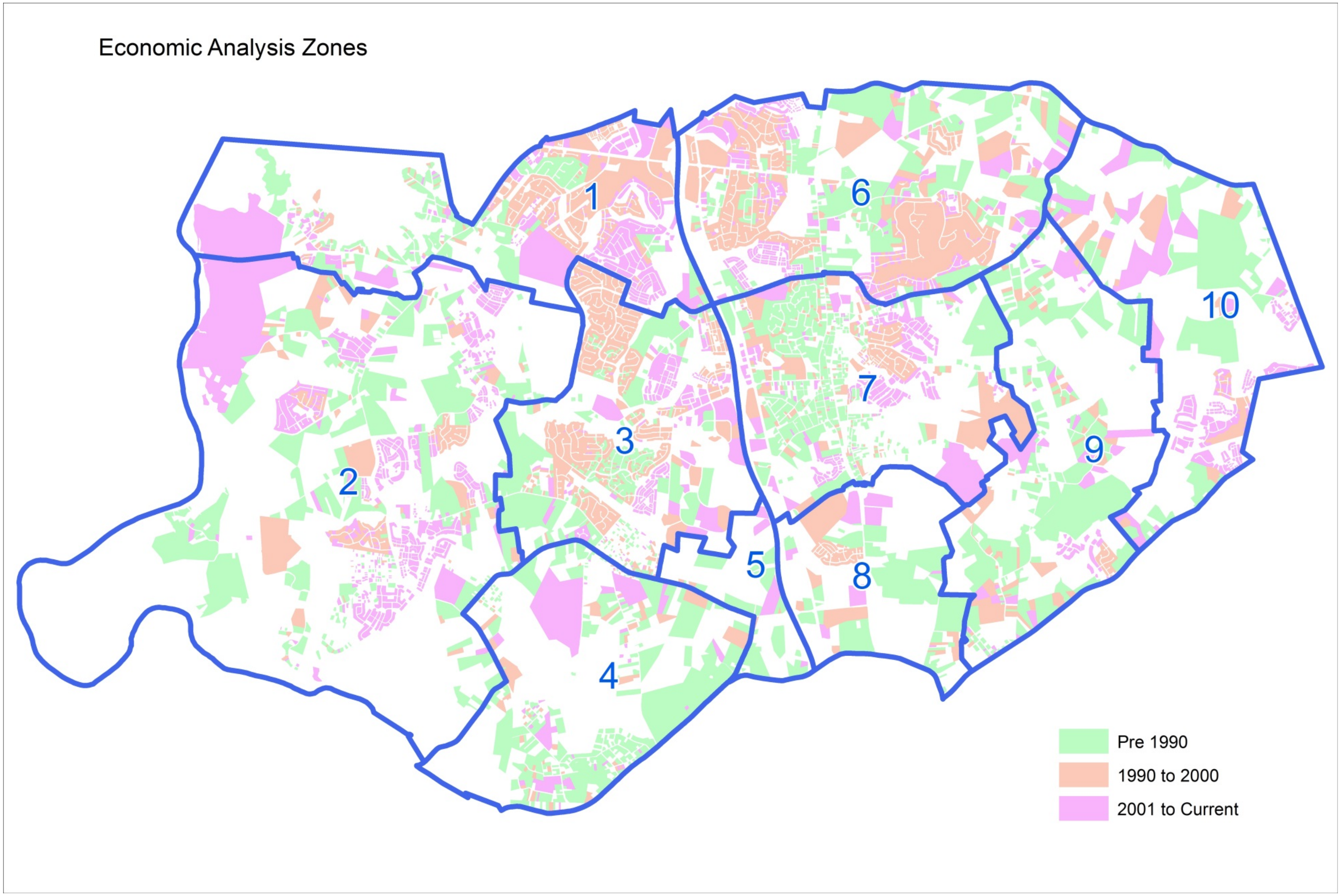
Table 4-1
Non-Residential Building Inventory
Huntersville 2013

Building Use	Square Feet	% Total	SF Built After 2000
Institutional/Government	4,317,543	34.7%	1,866,075
Warehouse	2,322,301	18.7%	817,050
General Office[1]	1,479,363	11.9%	812,498
Retail[2]	1,371,661	11.0%	703,481
Light Industrial/Manufacturing	747,275	6.0%	352,697
Automotive Services	641,044	5.1%	455,637
Hotel/Motel	526,394	4.2%	181,541
Food & Drug Stores[2]	357,005	2.9%	121,414
Medical Office[1]	313,430	2.5%	189,906
Restaurants	178,887	1.4%	50,189
Entertainment[2]	141,200	1.1%	51,773
Bank	53,827	0.4%	20,234
TOTAL	12,449,930	100.0%	5,622,495

[1]Combined on pie chart: general office, medical office
[2]Combined on pie chart: retail, food & drug stores, entertainment
Source: Town of Huntersville; RKG Associates 2014

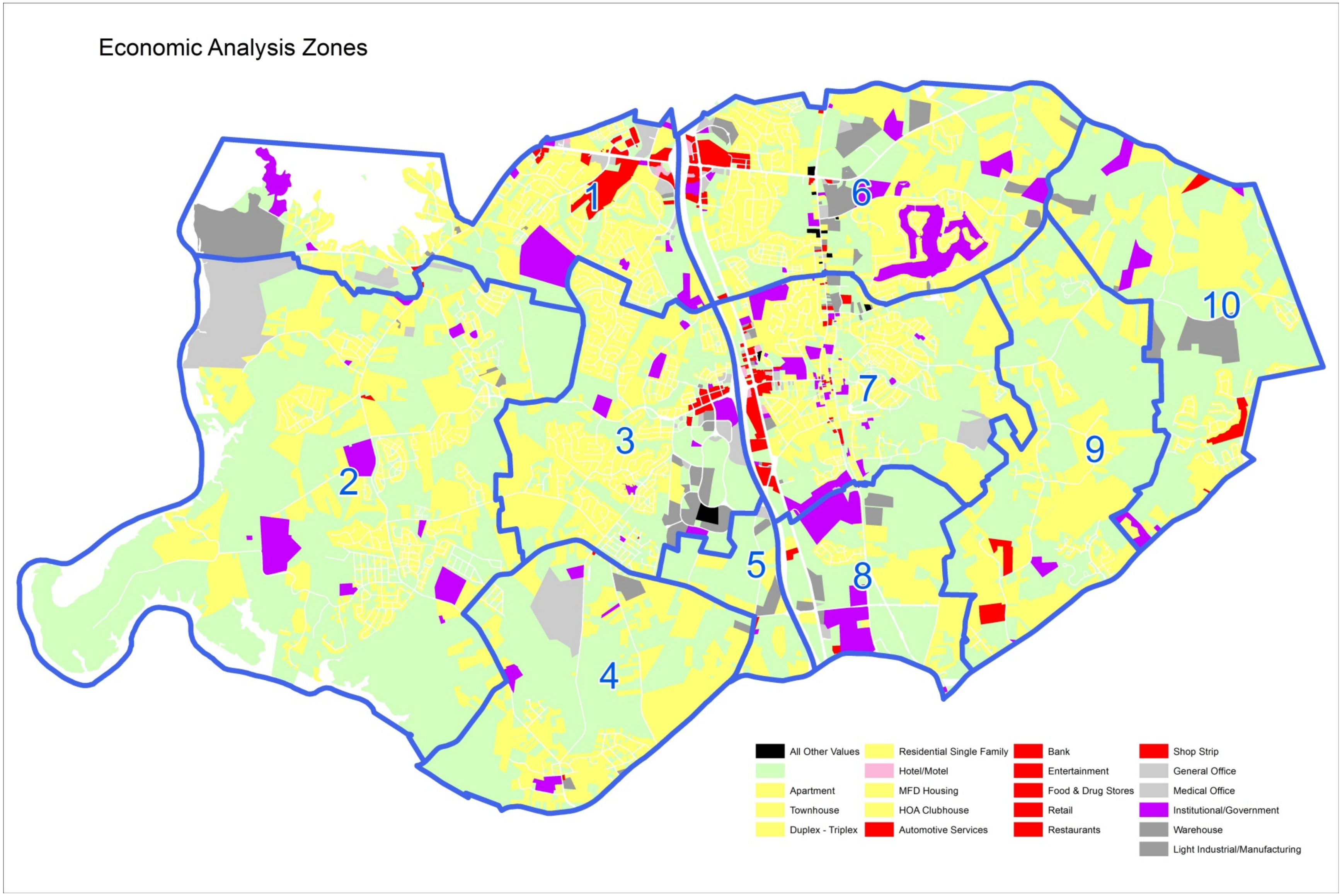
Although Retail ranks fourth in square footage with 1.4 million square feet, when combined with Food & Drug Stores and Entertainment (as in Figure 4-1), it ranks third at 1.9 million square feet. Approximately 47% of this combined retail space was added after 2000. Figure 4-2 graphically illustrates how recently most non-residential uses were developed, the great majority of which appeared after 1990. More than half of Huntersville's office and retail inventory has been developed since 1999, along with nearly half of the light industrial/manufacturing inventory. Of course, Huntersville's non-residential

Figure 4-2: Development Periods by Analysis Zone



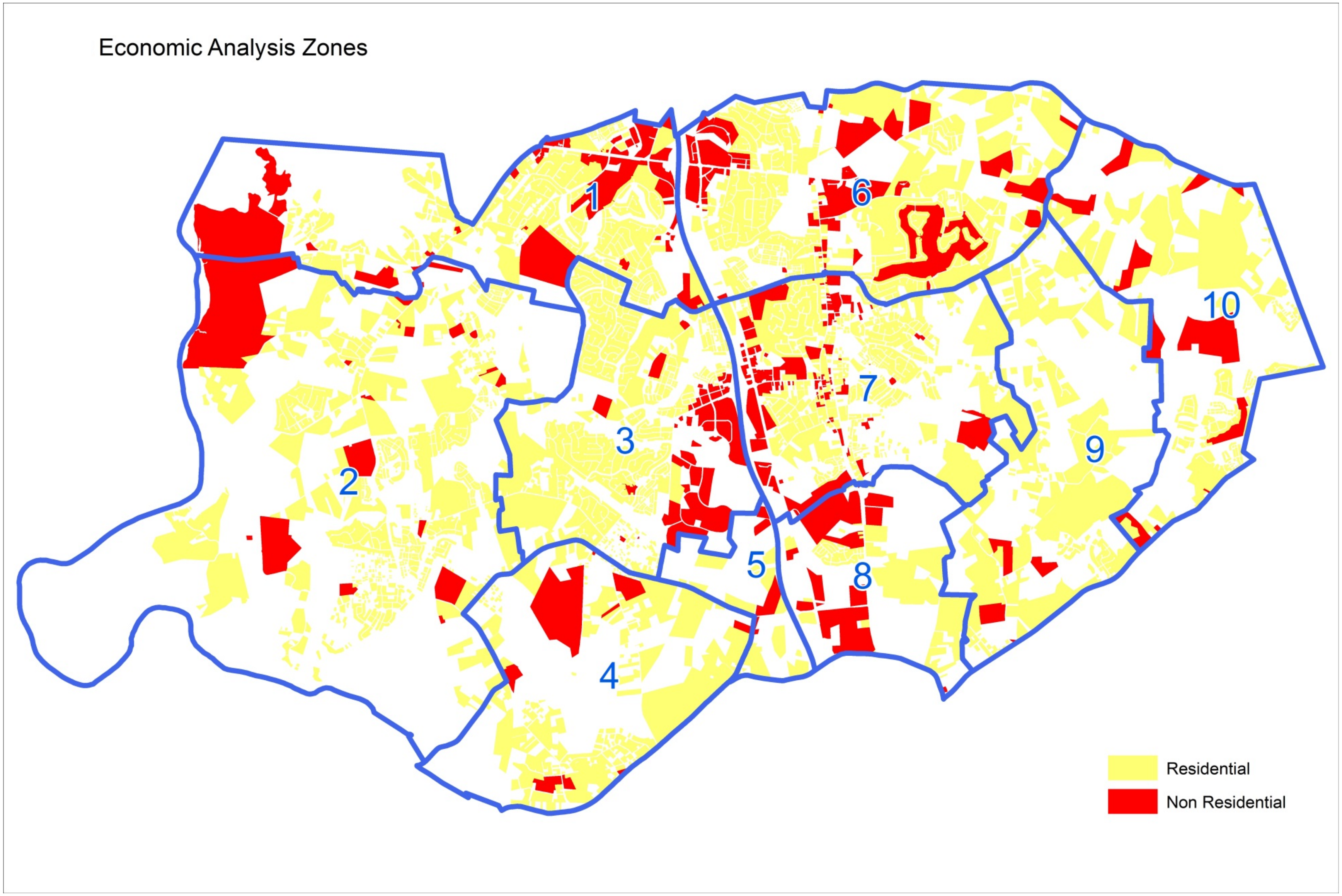
Source: Town of Huntersville, Property Assessment Records, 2014

Figure 4-3: Major Land Uses by Analysis Zone



Source: Town of Huntersville, Property Assessment Records, 2014

Figure 4-4: Residential/Non-Residential Land Uses by Analysis Zone



Source: Town of Huntersville, Property Assessment Records, 2014

development occurred during the same period as rapid residential development, which makes the marshalling of the town's remaining non-residential land resources all the more critical to its future economic development. In order to put the maps into perspective, Table 4-2 shows the dispersion of land uses among the economic analysis zones. Office, industrial and warehouse comprise the category of

Table 4-2
Comparative Levels of Non-Residential Development
Economic Analysis Zones

Economic Analysis Zone	Office, Industrial, Warehouse SF	Rank	Retail, Restaurant, Auto SF	Rank	Total SF	Rank
Zone 1	944,830	3	927,922	2	1,872,752	2
Zone 2	30,339	9	6,160	9	36,499	9
Zone 3	1,417,372	1	324,281	4	1,741,653	3
Zone 4	34,323	8	8,958	7	43,281	8
Zone 5	155,041	7	6,152	10	161,193	7
Zone 6	1,299,028	2	1,027,387	1	2,326,415	1
Zone 7	413,915	5	878,761	3	1,292,676	4
Zone 8	429,727	4	17,991	5	447,718	5
Zone 9	0	10	10,644	6	10,644	10
Zone 10	181,589	6	7,935	8	189,524	6

Source: Town of Huntersville; RKG Associates 2014

"leading", employment supporting land uses whose viability is not entirely dependent on the presence of households. Retail, restaurant, and automotive uses comprise the category of "following" land uses which are more dependent on the presence of households.

The highest concentration of office, industrial and warehouse space (1.4 million square feet) is within Zone 3, where The Park Huntersville and its office, flex, and health care tenants are located. The second highest concentration of these leading land uses is Zone 6, which contains a cluster of commerce parks. Zone 1 is ranked third in leading employment supporting land uses by virtue of its 634,500 square feet of office and the McGuire Nuclear Station, which is classified as industrial.

The heaviest retail/restaurant/auto concentrations are in Zone 6 (1.0 million square feet), Zone 1 (928,000 square feet) and Zone 7 (879,000 square feet). As Figure 4-2 illustrates, most retail development is located along the I-77 corridor, where it benefits most from high visibility, easy access, and ability to draw traffic off of the interstate. Since office and production operations are not so dependent on these attributes, they maintain more locational flexibility, as illustrated by their wider dispersal in Figure 4-3.

Overall, Huntersville's leading Economic Analysis Zones that support over 1 million square feet, ranked by highest square footage are as follows: Zone 6, Zone 1, Zone 3, and Zone 7.

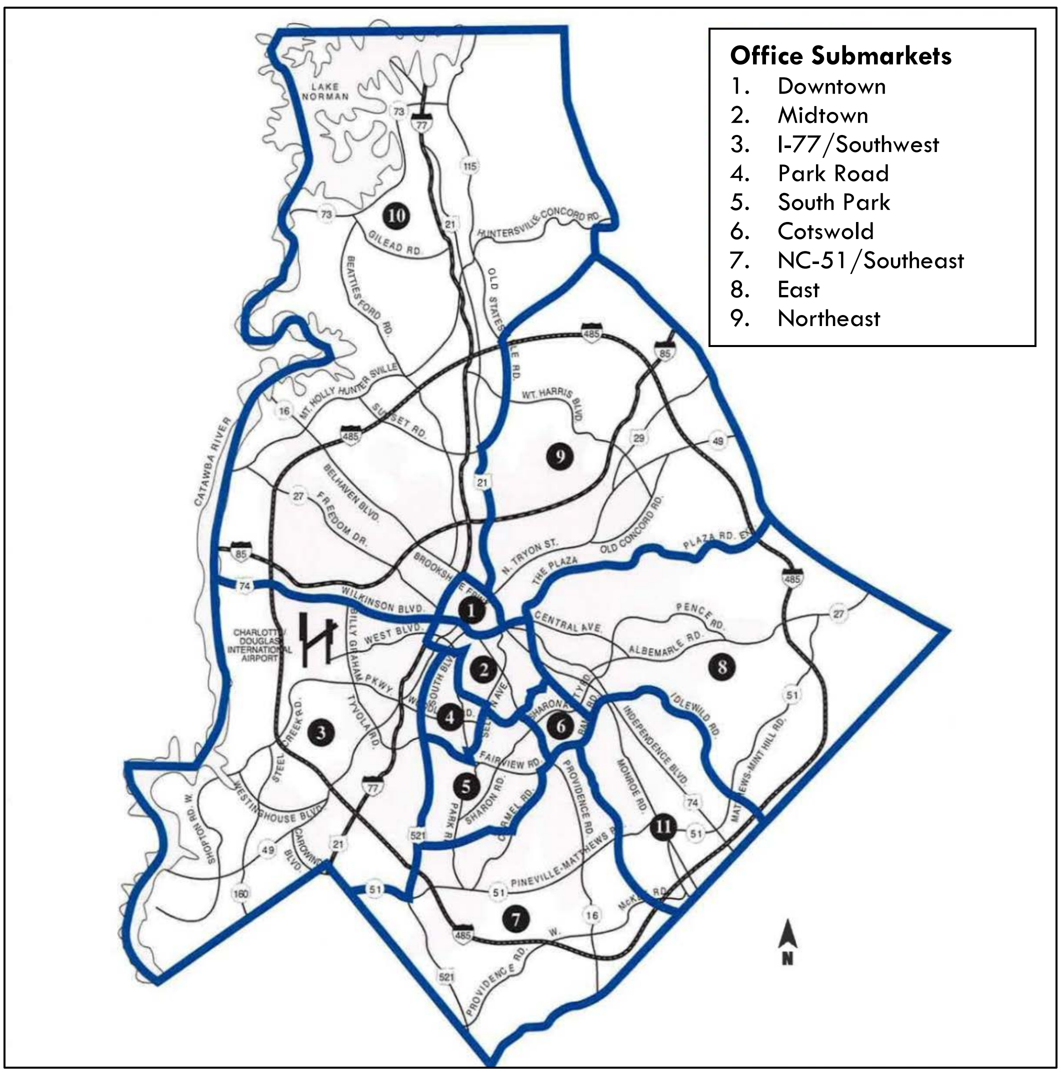
2. Office Market Trends

In major metropolitan markets such as Charlotte, office market characteristics are often tracked by local or national brokerage firms who use the data to keep informed about the market. In the case of office, this data tracks the vital statistics on properties for lease. Huntersville, of course, is part of the Charlotte office market, and is located in what is classified as the North Submarket (Figure 4-5).

An examination of office market characteristics is useful in assessing business activity in white collar industry sectors. For example, a downward trend in vacancies coupled with an upward trend in inventory and rents is probably an indication that there is growth and vitality in white collar industry sectors. Conversely, upward trends in vacancies, lower rents, and a static inventory may point to a sluggish economy.

In 2013, the North Submarket had an inventory of approximately 2.28 million square feet of leasable office space compared to almost 50 million square feet in the entire Charlotte market. The vacancy rate was 13.8%, down from a high of 24.2% in 2009. Current office vacancy in June 2014 was 13.1%. The average rent of $20.39 per square foot was a six-year high, up from a low of $19.83 in 2010. Net absorption of space has been positive since 2009, as are all other indicators. These trends indicate higher levels of white collar business activity since 2009, suggesting expansion and employment growth (Table 4-3).

Figure 4-5: Charlotte Submarket Map



Source: Karnes Reports, 2013

Table 4-3
Office Market Trends
North Submarket

	North Submarket						Charlotte
Office	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2013**
Number of Buildings	53	56	57	57	57	56	549
Total Inventory (Sq. Ft.)	2,212,944	2,266,335	2,355,583	2,355,583	2,355,583	2,275,583	49,878,700
Completions	185,000	112,683	0	0	0	0	0
Net Absorption	37,308	(7,190)	110,981	8,578	90,372	28,849	1,298,170
Total Vacant (Sq. Ft.)	387,144	623,292	452,858	444,280	353,908	315,059	7,377,413
Vacancy Rate	17.5%	24.2%	19.2%	18.9%	15.0%	13.8%	14.8%
Class A	19.5%	24.1%	20.6%	19.9%	15.4%	14.4%	13.8%
Class B	8.9%	24.6%	18.6%	14.4%	13.3%	11.5%	17.5%
Class C	n/a	n/a	n/a	0.0%	0.0%	0.0%	24.9%
Average Rent	$20.10	$19.89	$19.83	$19.99	$19.88	$20.39	$22.68
Class A	$20.47	$20.15	$20.15	$20.22	$20.19	$20.62	$23.73
Class B	$18.05	$18.78	$18.64	$19.06	$18.70	$19.47	$19.46
Class C	n/a	n/a	n/a	$0.00	$0.00	$0.00	$16.85
Sq. Ft. Under Construction	20,000	20,000	0	0	0	0	274,754
Sq. Ft. Proposed	1,132,164	1,092,164	1,146,164	1,146,164	1,021,164	946,164	6,177,161

Source: The Karnes Reports, 2008-2013; RKG Associates 2014

The Lake Norman Regional Economic Development Corporation (LNREDC) tracks and advertises office space for lease and sale within its geographical area which includes Huntersville, as well as the Towns of Cornelius and Davidson. An examination of office property marketing activity in March of 2014 showed 45 properties advertised, comprising thirty-four Class A, five Class B, and six medical properties. In general, a Class A building is an extremely desirable investment-grade property with the highest quality construction and workmanship, usually with above average rental rates and in an excellent location with exceptional accessibility. In general, a class B building offers more utilitarian space without special attractions. It will typically have ordinary architectural design and structural features, with average interior finish, systems, and floor plans, adequate systems and overall condition. Class B buildings lack prestige and must depend chiefly on lower price to attract tenants. Medical office buildings generally house a variety of private medical practitioners offering outpatient services. These buildings are typically built to standards requiring higher floor load capacity, heavy duty doors, numerous smaller rooms, etc., and command Class A rents or higher.

Nine of the thirty-four Class A properties are offered for sale, with prices ranging from $65.00 to $180.00 per square foot. Based on square footages ranging from 1,500 to 10,000 square feet, it can be reasonably assumed that several of these properties are office condos. Class A space for rent ranges from 750 to 53,292 square feet. Full or modified service leases range from $15.44 to $25.00 per square foot. Triple net rents (tenant pays most operating costs) range from $9.00 to $18.50 per square foot. In total, 47,320 square feet of Class A office space is offered for sale, and 275,334 square feet is offered for rent.

Three of the five Class B properties are offered for sale, with prices ranging from $135.00 to $140.00 per square foot. Class B leased space ranges from 2,395- to 5,888-square-foot blocks. Modified service rents range from $9.00 to $12.00 per square foot. In total, 14,976 square feet of Class B office space is offered for sale, and 14,885 square feet is offered for rent.

Medical office space is typically built to different standards than conventional office (higher floor load capacities, heavy duty doors, etc.), and therefore commands higher prices. Two medical office properties of approximately 3,200 square feet each are advertised for sale at $195.000 and $200.00 per square foot. Four properties ranging from 1,650 to 13,157 square feet have asking rents ranging from $12.00 to $25.25 per square foot, full service (Table 4-4).

Table 4-4
Office Property Marketing Activity
Huntersville, Spring 2014

Name	Location	Total SF Avaialble	Price/SF	Rent/SF
CLASS A				
13815 Professional Center Drive	13815 Professional Center Dr.	7,440	—	$20.00 Mod.
403 Gilead Road Suite G	404 Gilead Road Suite G	1,549	$180.76	—
122 Commerce Center Drive	122 Commerce Center Drive	5,400	$109.07	—
Northcross Business Campus	9727-C2 Northcross Center Ct.	1,531	$65.00	—
The Park - Alexander Building	13620 E. Reese Blvd.	53,292	—	$19.50 Full
The Park - Kemp Building	13801 Reese Blvd.	3,933	—	$19.50 Full
The Park - Reed Building	9920 Kincey Ave.	38,530	—	$18.75 Full
The Park - Stewart Building	11515 Vanstory Dr.	13,392	—	$9.50-$13.00 NNN
8600 Sam Furr Road, Birkdale	8600 Sam Furr Road	2,461	—	$20.00 Mod.
NorthPointe Two	8936 Northcross Drive	10,849	—	$19.00-$19.50 Full
NorthPointe One	16905 Northcross Dr.	1,042	—	$19.00-$19.50 Full
The Charleston	215 Gilead Road	6,289	$155.00	$16.95 NNN
The Park - Storrs Building	10115 Kincey Avenue	16,527	n/a	n/a
Rosedale	10224 Hickorywood Hill Ave.	4,951	—	$15.44 Mod.
Kenton Circle Two	7930 W. Kenton Cr.	5,751	—	$20.75 Full
Kenton Circle Three	16810 Kenton Dr.	7,048	—	$20.75 Full
Birkdale Business Park	16405-A Northcross Dr.	4,919	$113.84	—
Northcross Professional Center	9601 Holly Point Dr.	6,600	$180.00	—
NorthPointe Two	8936 Northcross Drive	14,504	—	$17.50 Full
NorthPointe One	16905 Northcross Dr.	5,470	—	$17.50 Full
9625 Northcross Center Ct.	9626 Northcross Center Ct.	1,793	$165.00	$16.50-$18.50 NNN
Valarie Spa Building	9620 Holly Point Dr. Ste. 202A	750	—	$23.20 Mod.
Presbyterian Northpoint	16525 Holly Creek Ln.	6,161	—	$22.00 Full
The Park - Latta Building	9930 Kincey Ave.	18,073	—	$19.50 Full
12340 Mt. Holly-Huntersville Rd.	12341 Mt. Holly-Huntersville Rd.	10,032	$129.59	$9.00 NNN
17220 Northcross Dr.	17221 Northcross Dr.	13,413	—	$22.00 Full
Rosedale Office Building	10210 Hickorywood Hill Ave.	2,499	—	$16.75 Mod.
Northcross Corporate Cente	9820 Northcross Center Ct.	1,000	—	$25.00 Full
9836 Northcross Center Ct.	9837 Northcross Center Ct.	8,000	—	n/a
Northcross Office	16630 Northcross Dr.	6,000	—	$16.50 Mod.
Birkdale Village II	16740 Birkdale Commons	3,417	—	$21.00 Full
Birkdale Village I	8712 Lindholm Dr.	8,466	—	$21.00 Full
Kenton Circle I	8015 Kenton Cr.	2,458	—	$20.75 Full
16101 Old Statesville Road	16102 Old Statesville Rd.	11,000	$75.46	—
TOTAL		304,540		
CLASS B				
Birkdale Business Park	16325 Northcross Dr.	5,888	$140.00	—
Birkdale Business Center	16415 Northcross Dr.	6,602	—	$9.00-$10.00 Mod.
Birkdale Business Park	16405 Northcross Dr.	3,200	$135.00	—
Northcross Corporate Center	16419-E Northcross Dr.	2,395	—	$12.00 Mod.
Birkdale Business Park	16405-A Northcross Dr.	5,888	$140.00	$10.00 Gross
TOTAL		23,973		
MEDICAL				
Birkdale Medical Villge D	16627 Birkdale Commons Pkwy.	6,884	—	$21.00-$23.50 Full
Birkdale Medical Villge C	16633 Birkdale Commons Pkwy.	2,335	—	$21.00-$23.50 Full
Physicians Plaza @ Presbyterian	10030 Gilead Rd.	13,157	—	$25.25 Full
Gilead Commons - Medical	403 Gilead Rd.	3,247	$195.00	—
Rosedale Medical Center	14330 Oakhill Park Ln.	1,650	—	$23.00 Full
Medical Office	10235 Hickorywood Hill Ave.	3,200	$200.00	—
TOTAL		30,473		

Source: Lake Norman Regional Economic Development Corporation; RKG Associates 2014

3. Industrial Market Trends

The industrial market in Huntersville comprises two main categories: flex and warehouse. Flex space gets its name by having a flexible amount of office or showroom space in combination with manufacturing, laboratory, warehouse distribution, etc. It is generally constructed with little or no common areas, load-bearing floors, loading dock facilities and high ceilings, but can usually accommodate overhead doors. Warehouse space is typically purpose built for storage and distribution, and therefore has load-bearing floors, loading dock facilities and high ceilings. Heavier industrial operations characteristically occupy special, purpose built buildings which are often owner occupied, and not for lease.

An examination of industrial market characteristics is useful in assessing business activity in blue collar industry sectors. Similar to office, a downward trend in vacancies concurrent with an upward trend in inventory and rents indicates positive trends in trade and employment.

In 2013, the North Submarket had an inventory of approximately 2.01 million square feet of leasable flex space compared to almost over 10 million square feet in the entire Charlotte market. The vacancy rate was 9.3%, down from over 20% in 2009 and nearly half of the greater Charlotte market's rate of 18.4%. Rents and absorption have been on the rise since 2010. The warehouse market has performed similarly to flex, with steadily improving indicators since 2009. Vacancy has declined from a high of 18.9% in 2009 to 5.9% in 2013, with steady absorption since 2010. These trends indicate higher levels of blue collar business activity since 2009, which has positive implications for manufacturing, wholesale trade, logistics, and other support industries (Table 4-5).

Table 4-5
Industrial Market Trends
North Submarket

	2008	2009	2010	2011	2012	2013	Charlotte 2013
FLEX							
Number of Buildings	n/a	n/a	n/a	45	47	47	278
Total Inventory (Sq. Ft.)	2,012,844	2,012,844	2,035,844	2,035,844	2,093,244	2,093,244	10,607,397
Completions	0	0	0	0	46,000	0	0
Net Absorption	24,923	(188,168)	56,109	94,339	121,546	19,612	13,136
Total Vacant (Sq. Ft.)	227,222	415,390	367,958	273,619	203,773	193,626	1,948,159
Vacancy Rate	11.3%	20.6%	18.1%	13.4%	9.7%	9.3%	18.4%
Average Rent	$10.05	$9.51	$8.81	$9.09	$9.31	$9.34	$8.54
Sq. Ft. Under Construction	0	0	0	0	0	78,319	78,319
Sq. Ft. Proposed	0	0	96,205	96,205	96,205	96,205	383,205
WAREHOUSE							
Number of Buildings	n/a	n/a	n/a	53	54	56	305
Total Inventory (Sq. Ft.)	6,266,335	6,512,153	6,576,790	7,136,540	7,598,540	7,960,105	34,021,820
Completions	112,683	104,294	64,637	0	0	0	0
Net Absorption	(7,190)	(358,917)	243,410	271,489	259,777	370,837	600,604
Total Vacant (Sq. Ft.)	623,292	1,228,027	1,049,254	841,077	1,043,300	467,817	2,361,404
Vacancy Rate	9.9%	18.9%	16.0%	11.8%	13.7%	5.9%	6.9%
Average Rent	$4.54	$4.45	$4.34	$4.34	$4.49	$4.45	$4.20
Sq. Ft. Under Construction	0	0	0	0	0	0	248,800
Sq. Ft. Proposed	116,000	0	15,000	15,000	15,000	0	1,862,642

Source: The Karnes Reports, 2008-2013; RKG Associates 2014

The Lake Norman Regional Economic Development Corporation currently tracks and advertises flex space for lease and sale.

Table 4-6
Flex Property Marketing Activity
Huntersville, Spring 2014

Name	Location	Total SF Avaialble	Price/SF	Rent/SF
FLEX				
The Park - Calhoun Building	9800 Kincey Ave.	13,738	—	\$9.50-\$14.50 NNN
The Park - Caldwell Building	12120 Herbert Wayne Ct.	13,290	—	\$9.00-\$13.00 NNN
The Park - Bostick Building	9801 Kincey Ave.	5,275	—	\$9.00-\$14.00 NNN
The Park - Campbell Building	13245 Reese Blvd. W.	45,283	—	\$9.50-\$13.00 NNN
TOTAL		77,586		

Source: Lake Norman Regional Economic Development Corporation; RKG Associates 2014

4. Non-residential Land Assessment

The 2010 Huntersville Community Plan identifies ten current and/or future major employment areas in the Town of Huntersville. The employment areas are oriented to office, flex and manufacturing, but can and do accommodate some retail as well. The ten employment areas are as follows (Figure 4-6):

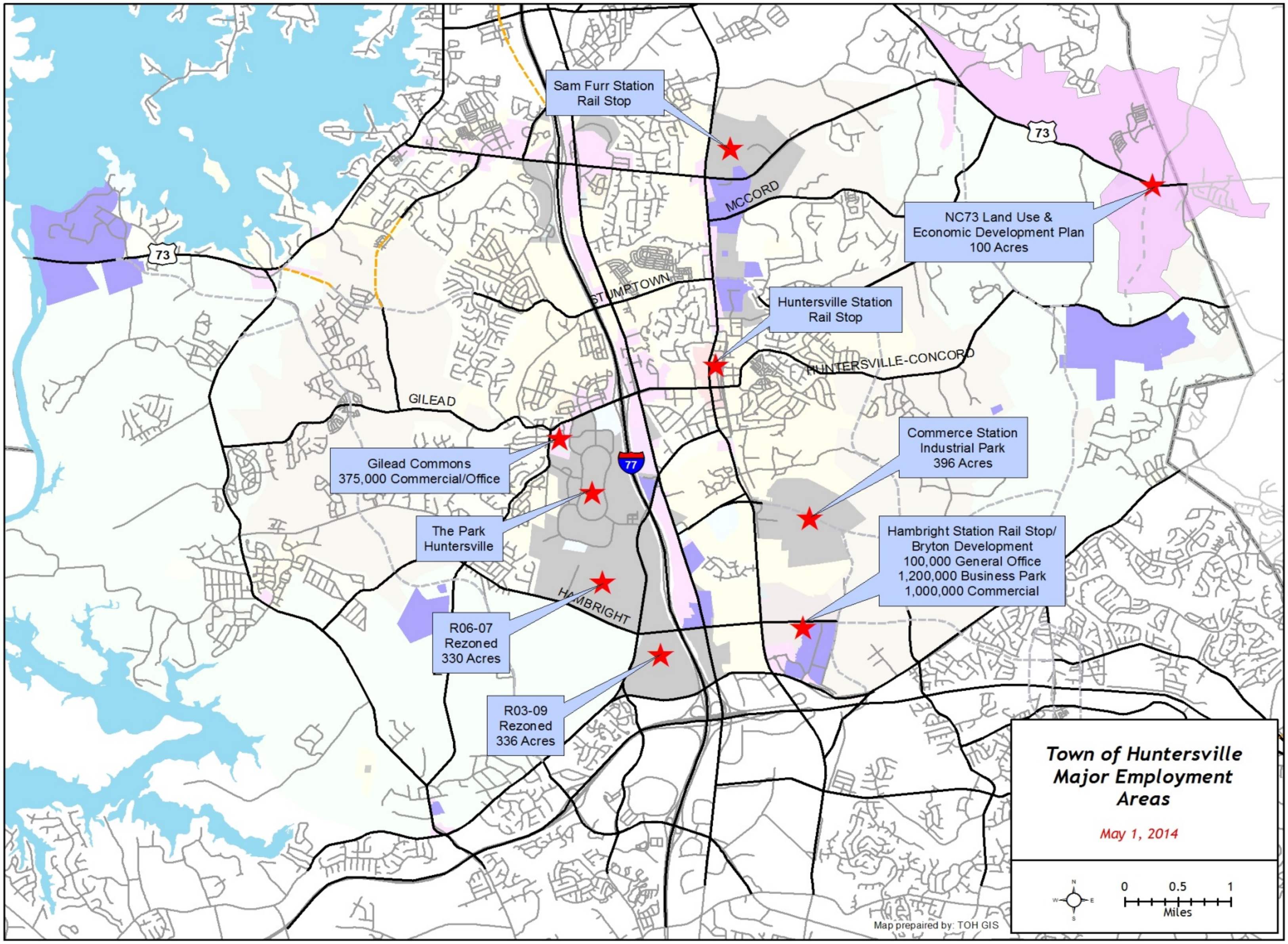
- **Gilead Commons:** Located in the northeast corner of The Park Huntersville, Gilead Center has eight parcels marketed for sale for a total of 8.3 acres. Average sales prices range from \$366,000 to \$467,000 per acre. Excellent access west of I-77 off Gilead Road, located in Economic Development Zone 3.
- **The Park Huntersville:** A total of 23 parcels comprising 183.7 acres are marketed for sale. Parcels range in size from 1.9 acres up to 22.3 acres, and range in price from \$45,000 to \$256,000 per acre. Excellent access west of I-77 off Gilead Road or Mt. Holly-Huntersville Road, located in Economic Analysis Zone 3.
- **R06-07:** This undeveloped area is adjacent to and south of The Park Huntersville and comprises 330 acres zoned for employment supporting uses. This area is located west of I-77, bounded by Mt. Holly-Huntersville Road to the west and Hambright Road to the south. Located in Economic Analysis Zone 3.
- **R03-09:** This undeveloped area is adjacent to and south of the R06-07 parcel and comprises 336 acres zoned for employment supporting uses. This are is located west of I-77, bounded by Mt. Holly-Huntersville Road to the west and Alexandarana Road to the south. Located in Economic Development Zone 5.
- **Bryton:** This 500-acre mixed use property is approved for up to 1 million square feet of retail and 1 million plus square feet of office/flex space. Bryton also includes a planned future rail station and enjoys excellent access from I-77, I-485 and Old Statesville Road. This area is located in Economic Analysis Zone 8.
- **Commerce Station:** Formerly North Meck Industrial Park, this public sector joint venture is planned for an additional 300+ acres to accommodate manufacturing businesses. This land is currently undeveloped and is located east of Old Statesville Road, with good access from a railroad overpass onto Meacham Farm Drive. Area is located in Economic Analysis Zones 7 and 8.
- **NC 73 Land Use & Economic Development Plan:** This area has 100 acres allocated for office use and is located on Sam Furr Road (NC 73) approximately 5 miles east of I-77, I in Economic Development Zone 10.

In 2011, the Noell Consulting Group prepared a development analysis for the North Corridor Rail Line. This analysis conceptualized potential office, flex/industrial, retail and residential development through 2035 at each of the planned transit stations along the line, including the three planned Huntersville stations: Hambright (aka Bryton), Huntersville, and Sam Furr, as detailed below. In addition, several areas located along the rail line situated between the transit stops have been designated for freight oriented development (FOD).

The Noell Report was also used in developing a finance plan for the North Corridor, which was based on several "value capture" mechanisms, including tax increment financing, funded from new development at the planned station areas. Descriptions of the three Huntersville transit station areas are as follows:

- **Sam Furr Station:** Preliminary development program identified over 64,000 square feet of flex and 185,000 square feet of office, in addition to multi-family development. Adjacent to and west of Old Statesville Road and straddles NC 73. This area is currently undeveloped and located in Economic Analysis Zone 6.
- **Huntersville Station:** Preliminary development program identified over 35,000 square feet of flex and 100,000 square feet of office, in addition to multi-family development. Huntersville Station is located at Main Street in Economic Analysis Zone 7.
- **Hambright Station:** Preliminary development program identified over 1 million square feet of retail and 1.3 million square feet of office/flex space, along with residential (multi- and single family development. This area is located within Bryton, described above.

Figure 4-6: Major Employment Areas



Source: Town of Huntersville

There can be considerable variation in the characteristics of Huntersville's land inventory with regards to size, location, highway access, availability of utilities, rail potential and cost. It is important to maintain a variety of shovel-ready sites in order to respond quickly to a potential development opportunity, particularly given the large inventory of available land within the region. Development sites at the Park Huntersville and Gilead Commons certainly meet this criterion, with all necessary infrastructure in place. Utilities are available to both Commerce Station and Bryton as well, which can be extended as the road networks are developed.

Generally speaking, Huntersville's existing commerce parks are poised for development in the near term. The value and competitiveness of these development sites will vary depending on price, location, utilities, size, etc. Site preparedness, in terms of being shovel-ready or requiring less site preparation, will also influence market desirability.

The Park Huntersville currently advertises 23 building sites for sale at prices ranging from $45,000 to $256,000 per acre, with an average lot size of approximately eight acres. Sixteen of the 23 sites are priced at over $200,000 per acre. At the Gilead Center, eight building sites are advertised for sale, ranging in price from $366,000 to $467,000 per acre, with an average lot size of approximately one acre. In total, 192 acres are available for sale at The Park. An additional 178 acres are offered for sale at other locations in the town ranging in size from 1.7 to 39 acres, with most ranging in price from $60,000 to $307,000 per acre, with one outlier offered at $666,666 per acre (Tables 4-7 and 4-8).

Since 2000, Huntersville has added an average of 280,000 square feet of non-residential space annually, not including institutional/government space (mostly schools). This includes warehouse, general and medical office, light industrial/manufacturing, retail, food and drug stores,

Table 4-7
Lots for Sale - Advertised Prices
The Park Huntersville

Lot #	Zoning	Acreage Range	Avg. Sale Price/Acre
THE PARK			
AS1	CB	10+	$251,000
AS2	CB	5-10	$254,000
AS3	CB	5-10	$254,000
AS4	CB	5-10	$231,000
AS5	CB	3-5	$256,000
AS6	CB	10+	$216,000
AS7	CB	20+	$207,000
AS9	CB	10+	$150,000
AS10	CB	5-10	$149,000
AS11	CB	5-10	$203,000
AS12	CB	3-5	$256,000
AS13	CB	5-10	$256,000
AS14	CB	5-10	$240,000
AS15	CB	5-10	$243,000
AS16	CB	5-10	$241,000
AS17	CB	5-10	$242,000
AS18	CB	5-10	$80,000
AS19	CB	5-10	$68,000
AS20	CB	10+	$65,000
AS21	CB	5-10	$45,000
AS23	CB	1-3	$206,000
AS24	CB	1-3	$246,000
AS25	CB	3-5	$99,000
TOTAL		183.7	$193,826
GILEAD CENTER			
GC8	CB	1-2	$467,000
GC14	CB	1-2	$418,000
GC15	CB	0-1	$424,000
GC16	CB	0-1	$424,000
GC19	CB	1-2	$366,000
GC20	CB	1-2	$376,000
GC21	CB	1-2	$375,000
GC22	CB	1-2	$370,000
TOTAL		8.3	$402,500

Source: Lincoln Harris; RKG Associates 2014

Table 4-8
Land Marketing Activity
Huntersville, Spring 2014

Property	Zoning	Acreage Range	In City Limits	Utilities Available: Water	Sewer	Gas	Avg. Sale Price/Acre
11800 McCord Rd.	Special Purpose	3-5	No	A	A	A	$97,828
10808 Mt. Holly-Huntersville Rd.	CB	20+	No	A	A	A	$175,000
10019 Hambright Ct.	CB	30+	No	A	A	A	$65,000
8033 Mt. Holly-Huntersville Rd.	Commercial	3-5	Yes	A	A	A	$307,000
Northcross Business Center Lot 6	NC (CD)	0-1	Yes	A	A	A	$666,666
11500 N. Statesville Rd.	SP & CB	1-3	Yes	A	A	X	$172,727
13930 Professional Center Dr.	Commercial	1-3	Yes	A	A	X	$280,000
Northchar Industrial Park	SP Industrial	10+	No	A	A	A	$60,000
Alexanderana & Hambright Rd.	CB	70+	Yes	A	X	A	$69,500
100 Savoy Dr.	SP (CD)	10+	Yes	A	A	A	$150,000
Rosedale, Hickorywood Hill Ave.	Commercial	1-3	No	A	A	A	$253,000
TOTAL		178.0					

Source: Lake Norman Regional Economic Development Corporation; RKG Associates 2014 restaurants, entertainment, banks, lodging, and automotive services. In order to assess the Town's capacity to accommodate projected employment from a land availability perspective, the potential building areas require must first be calculated.

Huntersville's historic annual average job growth figure for the years 2002 to 2011 is 383. The Charlotte-Mecklenburg Planning Department projects employment growth at 400 jobs per year from 2010 to 2040. For the purposes of this analysis, the higher regional planning estimates are used. Square feet per employee by use type is derived from the Institute of Transportation Engineers 2008 Trip Generation Manual. Percent of land use is based on the proportion of the land use within the entire non-residential inventory constructed after 2000, although land consumption is not calculated for Government/Institutional. The Commercial Shopping Center category includes retail, food & drug stores, restaurants, entertainment, banks, and automotive services. The Business Park category includes general office and medical office.

Acreage is calculated for average Floor Area Ratios (FAR) for each use based on current trends, which is the proportion of floor space to square footage of land, and were calculated by the Town of Huntersville Department of Planning. The Huntersville Zoning Ordinance actually uses building heights, setbacks, parking, open space, etc., to determine allowable density, but FAR is used in this case for demonstration purposes.

Lands designated for employment generating uses in Figure 4-6 total just over 1,900 acres (gross), plus the designated TOD and FOD areas. Table 4-9 shows the consumption of land by 2030 based on employment projections and a range of FARs for selected non-residential uses, which are expected to consume approximately 28.7 acres annually.

Table 4-9
Estimated Annual Land Requirements for Selected Non-Residential Land Uses
Town of Huntersville

	SF/Emp.[1]	Projected Annual Employees	Projected Annual Square Feet	Floor Area Ratio	Annual Acres
All Industries (Including Government)		400			
Warehousing	1,093	59	60,833	0.097	14.4
Commercial/Shopping Center	300	102	28,666	0.104	6.3
Business Park	317	57	17,545	0.080	5.0
Manufacturing	558	26	13,406	0.126	2.4
Lodging	900	13	11,130	0.493	0.5
TOTALS[2]		257	131,580		28.7

[1]Trip Generation, Institute of Transportation Engineers, 2008.

[2]NOTE: Totals do not include all land use categories

Source: Charlotte-Mecklenburg Planning Department; RKG Associates 2014

C. INFILL AND REDEVELOPMENT

Transit Oriented Development (TOD) at Huntersville's three planned transit stations will present a prime opportunity for infill development and redevelopment of underutilized parcels when transit service becomes operational. In order to assess the cost/benefit associated with public investment in transportation and other infrastructure to support the higher density development associated with TOD, an estimate of net new property tax revenues can be calculated based on conceptual development programs.

The January 2011 Noell Report identified development potentials for the three Huntersville transit stations: Sam Furr, Huntersville, and Hambright. The development programs for the three station areas call for a total of 377,000 square feet of flex space, 1.6 million square feet of office, and 1.1 million square feet of retail. For the purposes of this analysis, net new fiscal revenues from development (which could be applied to Tax Increment Financing (TIF) have been estimated for the Huntersville Station, based on the 2035 Development Potential scenario in the Noell Report, and are calculated for full build-out in 2014 dollars. The 2035 Development Potential is as follows:

- Flex – 35,250 sf
- Office – 99,937 sf
- Retail – 78,609 sf
- Residential – 1,530 multi-family units

In order to estimate taxable value, replacement costs (which equate to development costs) are used the flex, office and retail components. Replacement costs are derived from the 2013 Marshall Valuation Service, a nationally recognized source for appraisal and valuation guidance. Buildings are assumed to be mid-rise, consistent with TOD principles. The analysis assumes that new buildings fall into the Marshall and Swift "Good Class C Cost Group", and have masonry or concrete outside walls and wood or steel floor structures. Costs per square foot values are regionally adjusted. The taxable value of proposed non-residential property improvements is estimated to equal approximately $17.9 million. (Table 4-10).

Table 4-10
Fiscal Revenue Analysis
Huntersville Station TOD

NON-RESIDENTIAL				
Use Type	**Cost/SF**	**SF**	**Value/KSF**	**Taxable Value**
Flex	$58.43	35,250	$58,431	$2,059,696
Office	$89.51	99,937	$89,508	$8,945,121
Retail	$87.42	78,609	$87,424	$6,872,290
SUBTOTAL NON-RESIDENTIAL				$17,877,107
RESIDENTIAL				
Multi Family Units				1,530
Average Monthly Rent				$1,000
Annual Revenue				$18,360,000
Annual Expenses @ 30%				$5,508,000
NOI				$12,852,000
Cap Rate				6.50%
Per Unit				$129,231
SUBTOTAL RESIDENTIAL				$197,723,077
TOTAL TAXABLE VALUE - ALL IMPROVEMENTS				$215,600,184
2013 Tax Rate per $100 of property value				$0.2825
TOTAL PROPERTY TAX REVENUE				**$609,071**

Source: Town of Huntersville; 2011 Noell Report; RKG Associates 2014

The multi-family component is assumed to be apartments for the purposes of this analysis, and a simplified "back of the envelope" income valuation approach is used to estimate taxable value. The analysis assumes average monthly rents of $1,000, which is conservative but consistent with the market (see Section D). Expenses are estimated at 30% of gross revenues. Based on a net operating income of approximately $12.9 million and a capitalization rate of 6.5%[1], taxable value is estimated to equal $197.7 million.

Based on a total taxable value of all proposed improvements of $215.6 million, and assuming the tax increment will be net of current taxable value, net new property taxes generated from new development are estimated to equal approximately $609,000 annually in 2014 dollars at full build out.

If a tax increment financing district is created, net new tax revenue could be allocated to debt service on municipal bonds for public improvements. Using a debt coverage ratio of 1.5:1, $304,535 in annual revenues could service the debt on a **$5.85 million**, 20-year, AAA rated bond at a 3.35% interest rate.

[1] Derived from Integra Realty Resources' Real Estate Value Trends Viewpoint 2014. Cap rate is for suburban multi-family in the Charlotte marketplace.

D. RESIDENTIAL CHARACTERISTICS

The total inventory of housing units in Huntersville in 2013 was approximately 19,200 units. Approximately 23.5%, or 4,500 units, are rented and 2,360 are multi-family units. Prior to 1990, Huntersville had 3,420 residential units. Approximately 6,142 units were built from 1990 to 1999, and an additional 9,638 units were added from 2000 to 2013. The estimated median owner occupied home value in 2010 was $247,200, and the estimated median rent was $933 per month.

As pointed out in the Socioeconomic section of this report, Huntersville's jobs/housing balance is 32% compared to the county's 62%. And while Huntersville added jobs at the rate of 3.5% per year between 2002 and 2011, it added households at a rate of 7.6% annually. Furthermore, only 15% of Huntersville's nearly 15,000 at-place employees actually live in the town.

The median household income in Huntersville in 2013 is estimated at $78,243. Based on the 30% of income affordability threshold, a 30-year conventional mortgage with a 4.5% APR and $3,000 per year in PITI, this income could support the purchase of a home valued at over $400,000, or a monthly rent of over $1,800. Census data from 2010 show that 65% of owner occupied homes are valued at less than $300,000 and 73% of monthly rents are less than $1,000. Clearly, Huntersville has an adequate supply of housing that is affordable to its own employment base, and in fact serves the employment within a much larger area.

Over the past thirteen years, Huntersville has added an average of about 800 new residential units per year. The Huntersville 2030 Community Plan estimates maximum residential build-out of developable land within its residential zones. The plan (adopted in 2011) estimated the highest build-out for the Rural and Transitional Zoning Districts at 9,234 units under current development standards. The Plan leaves open the possibility of rezoning for higher intensity development in some portions of these districts. In the higher density Neighborhood Residential Zoning District, the build-out potential range is between 3,726 and 9,936 units. The fact that there is no minimum or maximum density limits in this zone accounts for the wide variation.

The Plan projects the Town's population to grow to anywhere from a low figure of 78,000 to as high as 100,000, with a median population projection figure of 89,597. Based on the 2013 population of 50,743, the net new median population projection figure equals 38,854. Using the most recent average persons per household for Huntersville of 2.67, it would require 14,522 new units to house Huntersville's new residents in 2030. Based on build-out projections ranging from 12,960 to 19,170, Huntersville could be at or near total residential build-out in 2030, under current development standards (Table 4-11).

Table 4-11

2030 Housing Requirements and Buildout Capacity
Town of Huntersville

	Low	High	Midpoint
2030 Net New Population Projections	27,257	49,257	38,854
2013 Average Household Size	2.67	2.67	2.67
Estimated Build-out, Current Standards	12,960	19,170	16,065
New Housing Units Required	10,209	18,448	14,552
Difference in Units	2,751	722	1,513

Source: Huntersville 2030 Community Plan; RKG Associates 2014

E. IMPLICATIONS

Huntersville has a solid base of office, industrial and warehouse space which has experienced significant expansion in the past thirteen years. Since 2000 these uses have added approximately 2.2 million square feet of inventory, led by office with a 1.0 million square feet (127% increase), and followed by warehouse with 817,000 square feet (54% increase) and industrial with 353,000 square feet (89% increase). Institutional/government uses added 1.9 million square feet in the same period, mainly new public schools. Retail, restaurants and entertainment added an additional 1.1 million square feet (MSF) in the thirteen year period.

The office, industrial and warehouse sectors in Huntersville operate within the context of the broader Charlotte metropolitan marketplace. Data indicates there is a relatively large supply of available office space (7.4 MSF), flex space (1.9 MSF), and warehouse space (2.4 MSF) within this market area that represents competition for buildings and sites in Huntersville. However, the overall office (Classes A & B) vacancy rate in the North Submarket is less than the Charlotte Market, as well as flex and warehouse. Although no new office inventory has been delivered since 2009, and a minimal amount of flex space has been delivered since before 2008, steady absorption and lowering vacancy rates may soon trigger construction of projects that have languished in the pipeline for several years. Huntersville has a small inventory of 77,000 available square feet of flex space dispersed across four properties, of which 45,000 square feet is in one block. The relative lack of available flex space could potentially drive an expanding or relocating business into a competing submarket.

Huntersville is in an enviable position with respect to its supply of land for employment generating uses. The Park Huntersville has 41 shovel ready lots on 192 acres available for sale, and there are an additional 11 lots comprising 178 acres are for sale in other commerce parks. The Bryton mixed use parcel is zoned to accommodate 100,000 square feet of office and 1.2 million square feet of commercial/flex/industrial, and Commerce Station is planned for over 300 additional acres for business use. Two large parcels comprising a total of 666 acres south of The Park have been rezoned for employment use. Huntersville's three future transit station areas are planned for TOD with a development potential total of 377,000 square feet of flex space, 1.6 million square feet of office, and 1.1 million square feet of retail. Lastly, 100 acres at the intersection of NC 73 and Poplar Tent Road are slated for office development.

Historically, Huntersville's commercial business development has built out to low average densities of less than 1.0 FAR. Perhaps recognizing this trend, the Gilead Center section of The Park Huntersville is marketing average 1-acre lots at $370,000 to $470,000 per acre compared to the $240,000 to $270,000 per acre for larger lots, ensuring higher density development. The Town should remain mindful that its commercial business land assets are limited, and it should encourage higher density where appropriate to conserve resources and generate higher real property tax yields per acre. Higher density is most applicable to "business park" uses, which includes general office and medical office, and is easily accommodated in multi-story buildings. There is less flexibility with regard to building density for warehouse and manufacturing uses, which are typically limited to single story buildings.

Interstate access is key to many business location decisions, and Commerce Station and Bryton are both within one to two miles of Interstate 77. Capitalizing on rail access within the Town is seen as another opportunity for expanding Huntersville's competitiveness within the regional market. Commerce Station is a designated Freight Oriented Development (FOD) district, along with the area situated between the Huntersville and Sam Furr transit stations. The availability of land and access to transportation will remain valuable attributes for economic development well into the foreseeable future.

5 INDUSTRY TARGET AND CLUSTER ANALYSIS

A. INTRODUCTION

The identification of existing and potential industry clusters is a critical element of a strategic economic development plan. Industry "clusters" are strategic groupings of businesses and industries that locate within close proximity to each other, or near a strategic resource, to gain economic benefits.

In order to identify the existing and potential industry clusters for Huntersville, RKG Associates first identified the strengths and weaknesses of the region, the business climate, and quality of life factors. Using a screening process (described in detail later in this chapter), RKG then identified particular industry groups that either already exist or would benefit from the competitive advantages of the Town and the greater Charlotte area. This regional focus is very important, particularly for an economy the size of Huntersville, where growth trends and amenities in surrounding area can have as much, and potentially a greater, impact as trends and amenities within the Town.

The result of these efforts is a list containing specific industry segments that are compatible with the resource offerings and industry activity of Huntersville. This list is intended to be used as the focus of a comprehensive recruitment effort by the Huntersville economic development implementation entity, as well as other local and regional organizations charged with this responsibility. This target industry list is not intended to preclude any non-listed industries from being recruited or otherwise encouraged to locate within the town. Rather, this list exemplifies those industries that may have the greatest interest in Huntersville based on local and regional competitive advantages; and therefore provide the greatest potential success for a proactive marketing and recruitment campaign.

This chapter includes: (1) a review of Huntersville and the broader region business climate and site location strengths and weaknesses; (2) a summary of the region's quality of life factors; (3) a description of the screening criteria used to identify target industry groups; and (4) a description of the industry groups selected. For the purposes of this analysis, RKG Associates utilized several data sources that provide information about the business climate in and around Huntersville which compile the information at different geographic scales. Each section details the respective geography being examined.

B. BUSINESS CLIMATE FACTORS

To assess the business climate factors that impact Huntersville and North Carolina as a whole, the consultant collected State rankings from the Corporation for Enterprise Development (CFED) in Washington, D.C. CFED is a non-profit organization that promotes economic vitality through increased economic competitiveness. It also gathers economic, financial and other relevant data on all fifty states and the District of Columbia. The CFED issues an annual *Development Report Card for the States*, which ranks each state in 92 categories, of which 58 categories are included here. These categories fall under the sub-headings of: (1) Financial Assets and Income, (2) Business and Jobs, (3) Housing and Homeownership, (4) Healthcare, (5) Education, and (6) Other.

While rankings are, by nature, subjective and do not provide the complete picture of the business climate in North Carolina and the local region, they are useful in measuring the State's performance relative to other states. This comparison provides a practical and adequate method for comparing the relative performance of North Carolina in a number of important areas.

The CFED data shown in Table 5-1 was sorted by the State's ranking among all fifty states and District of Columbia (second column). The ranking system goes from 1 (the best in a particular category) to 51 (the worst in a particular category). In order to provide a regional competitive context, RKG Associates also included comparative data for South Carolina, Tennessee, Virginia and Georgia. These states have been included in this analysis to provide a sense of how North Carolina compares to states that can be considered competitors, in terms of economic development recruitment due to geographic and amenity similarities. In addition "grades" are given on a curve: ten states get A's, ten states get B's, sixteen get C's, ten get D's and five get F's."[1] The following narrative summarizes the findings in the 2014 CFED scorecard for North Carolina.

1. Financial Assets and Income

North Carolina improved in this category, receiving a C in 2014 compared to a D last year. Although a number of the criteria are not reported in this section due to limited data availability, the remainder illustrated several notable observations. The State is slightly better off than the nation in net worth and the asset poverty rate, but has an income poverty rate notably higher than the nation, which may be related to its higher unemployment rate (8.6% compared to 7.6% national). A larger percentage of "unbanked" households (i.e., households without bank accounts) may point to an apprehension about formal banking institutions, as well as households living paycheck-to-paycheck with little or no reserves for savings. The state's low bankruptcy rate indicates that fewer households were extended beyond their means and managed to forestall recessionary impacts. Credit card debt and overdue borrowing indicators are only slightly higher than the nation as a whole. Along with improving overall income levels, these issues could also potentially be addressed through education about better methods for managing personal financial dealings.

2. Business and Jobs

Rankings in the business and jobs category were relatively poor for all states in the region with the exception of Virginia. North Carolina's overall F grade was matched by South Carolina. One of the few bright spots indicated by these criteria is a relatively high degree of private loans to small businesses suggesting that capital is available from local lenders to support local business operations and expansions, a fact which is borne out by the also relatively high proportion of microenterprise ownership in the state. These indicators suggest there is a good climate for small businesses. The state ranks below the nation in underemployment, unemployment, low wage jobs, and average annual pay, which suggests that there needs to be a stronger effort to create, attract and retain higher skilled and higher paying jobs. Efforts to increase the number of small business start-ups appears to be one approach that could yield positive results for Huntersville's on-going economic development strategy.

3. Housing and Homeownership

North Carolina ranks in the middle within the housing and homeownership metrics garnering an overall C rating along with South Carolina and Tennessee. The state had a relatively high homeownership rate (66.4%), with a bias towards middle and upper incomes as indicated by a rank of 23rd in the Homeownership by income category. Housing costs burdens for homeowners and renters were generally lower than national trends. The foreclosure rate of 2.1% in North Carolina is much lower than the national rate of 3.3%, ranking them 21st in the Nation. In spite of this, the state has the highest proportion of high-cost mortgage loans in the nation.

[1] 2012 Asset and Opportunity Scorecard, Corporation for Enterprise Development

4. Healthcare

Health insurance can impact economic development as an overall cost of doing business, as well as through lost productivity of uninsured workers receiving insufficient medical care. In addition, the uninsured may incur high medical costs that inhibit their ability to cover other necessary household expenses. North Carolina received a D rating overall for healthcare with approximately 19% of employees uninsured, ranking it 37th nationally. The 57.4% of employees covered by their employees' insurance programs is comparable to the nation, but still ranks the state 42nd, lowest among peer states. Improving these scores could help both to improve worker productivity and act as incentive for attracting new employees to the state.

5. Education

North Carolina ranks in the middle quintile in a number of the education-related criteria with an overall C rating. The state ranks 28th with regard to the percentage of residents with four-year degrees and 29th in the percentage of residents with two-year degrees. Although the state's ranking in the percentage with high school degrees is a low 38th, math proficiency at the grade school level offers a positive note, with North Carolina ranking 24th in the Nation. College debt levels are also low indicating more affordability in the state's higher learning institutions. Nonetheless, these findings suggest the state has considerable work to do from an educational standpoint in order to make it more of a supportive component of economic development efforts.

6. State Minimum Wage

RKG Associates has included an additional data criterion to those collected by CFED, the state minimum wage. North Carolina, as well as Tennessee, has a mandatory statewide minimum wage rate. North Carolina and Virginia have minimum wage rates linked to the Federal rate of $7.25 per hour. Georgia's minimum wage is set lower at $5.15 per hour. North Carolina's minimum wage rate helps mitigate increased costs of living for a portion of its residents.

The 2014 *Assets & Opportunity Scorecard* provides a picture, from a household financial security perspective, of both how families in each state fare and the policies in place to improve outcomes. These indicators may not be reflective of conditions in Huntersville. However, they provide a broad-brush perspective used by some potential employers and employees to evaluate economic development interest. Overall, North Carolina scored relatively low on the *Scorecard* as did the entire Southeastern United States, where all states were ranked in the lowest quintile overall.

Table 5-1
2013 Assets and Opportunities Scorecard
Corporation for Enterprise Development

Category	United States Data	North Carolina Data	North Carolina	South Carolina	Tennessee	Virginia	Georgia
FINANCIAL ASSETS AND INCOME			**D**	**D**	**D**	**B**	**F**
Net Worth	$68,948	$61,842	--	--	--	--	--
Asset Poverty Rate	26.0%	26.8%	--	--	--	--	--
Asset Poverty by Race [1]	2.1	2.6	--	--	--	--	--
Asset Poverty by Gender [1]	1.1	1.0	--	--	--	--	--
Income Poverty Rate	14.6%	16.2%	41	43	42	8	44
Unbanked Households	8.2%	9.3%	35	44	42	23	45
Bankruptcy Rate (per 1,000 people)	4.4	2.3	9	3	48	27	49
Average Credit Card Debt	$10,736	$10,697	32	23	21	40	28
Borrowers 90+ Days Overdue	4.3%	4.2%	30	47	31	13	48
BUSINESSES AND JOBS			**D**	**F**	**D**	**B**	**D**
Small Business Ownership Rate	1.3%	1.3%	41	37	46	45	49
Private Loans to Small Business	$1,148	$1,232	19	34	15	41	33
Microenterprise Ownership Rate	16.7%	16.1%	24	29	15	46	6
Business Ownership by Gender [1]	1.3	1.4	36	48	39	30	28
Business Ownership by Race [1]	1.5	2.1	44	49	39	14	19
Business Value by Gender [1]	2.6	2.7	29	33	19	32	40
Business Value by Race [1]	2.6	3.5	44	45	36	22	48
Business Creation Rate (per 1,000 workers)	9.2	9.3	25	38	51	23	12
Underemployment Rate	15.9%	17.9%	45	47	32	9	41
Unemployment Rate	8.9%	10.5%	46	46	34	9	43
Low-Wage Jobs	21.5%	25.4%	35	43	36	26	38
Average Annual Pay	$48,043	$45,389	27	44	22	12	17
Retirement Plan Participation	44.6%	43.3%	40	34	33	3	45
Employers Offering Health Insurance	51.0%	48.1%	31	26	8	14	30
HOUSING AND HOMEOWNERSHIP			**C**	**C**	**C**	**B**	**D**
Homeownership Rate	64.6%	66.5%	34	15	28	27	38
Homeownership by Race [1]	1.6	1.5	32	24	36	14	31
Homeownership by Income [1]	2.2	2.1	23	11	19	7	33
Homeownership by Gender [1]	1.01	1.02	--	--	--	--	--
Foreclosure Rate	4.3%	3.0%	23	40	17	7	26
High-Cost Mortgage Loans	2.5%	2.9%	18	33	43	16	35
Delinquent Mortgage Loans	3.0%	2.8%	27	22	40	17	47
Affordability of Homes (value/income) [1]	3.4	3.5	26	19	25	36	18
Housing Cost Burden: Homeowners	36.9%	33.9%	24	25	19	21	34
Housing Cost Burden: Renters	53.4%	53.1%	32	40	32	15	43

Table 5-1 (continued)

Category	United States Data	North Carolina Data	North Carolina	South Carolina	Tennessee	Virginia	Georgia
HEALTHCARE			F	D	C	C	D
Uninsured Rate	17.3%	18.7%	36	38	31	21	47
Uninsured by Race [1]	2.0	1.9	27	11	21	35	23
Uninsured by Income [1]	3.5	4.2	38	28	23	46	17
Uninsured by Gender [1]	1.2	1.1	18	24	38	29	14
Uninsured Low-Income Children	10.7%	10.4%	35	38	21	28	44
Uninsured Low-Income Parents	34.5%	38.1%	40	31	19	25	48
Employer-Provided Insurance	57.4%	53.3%	40	38	36	15	39
Employee Share of Premium	26.4%	32.0%	47	45	38	41	40
Out-of-Pocket Medical Expenses	16.2%	13.3%	--	--	--	--	--
EDUCATION			C	D	D	B	C
Early Childhood Education Enrollment	28.2%	21.9%	28	14	28	37	8
Math Proficiency: 8th Grade	34.7%	37.0%	21	32	45	15	41
Reading Proficiency: 8th Grade	33.5%	31.1%	33	41	39	16	38
High School Degree	85.9%	84.7%	38	42	41	27	39
Two-Year College Degree	36.3%	35.6%	28	40	44	9	33
Four-Year College Degree	28.5%	26.9%	26	41	42	8	24
Four-Year Degree by Race [1]	1.6	1.9	34	44	12	11	17
Four-Year Degree by Income [1]	4.6	5.7	45	41	50	36	31
Four-Year Degree by Gender [1]	1.0	1.0	--	--	--	--	--
Average College Graduate Debt	$26,600	$20,800	7	29	9	26	13
College Graduates with Debt	66.0%	54.0%	12	12	5	22	21
OTHERS							
State Minimum Wage as of January 2012	--	$7.25	$7.25	[3]	[3]	$7.25	$5.15

Source: Corporation for Enterprise Development and RKG Associates, Inc., 2012

[1] The ratios in the North Carolina Data column measure the difference in outcomes between two populations by: race (white and minority), income (high- and low-income groups), or gender (male and female). A ratio of 1 indicates perfect equality; the higher the ratio, the greater the inequality.

[2] Some measures were not ranked due to insufficient data at the state level.

[3] No State Minimum Wage Law

C. TOP SITE SELECTION FACTORS

RKG Associates obtained site selection data from the 27th annual survey of site selection decision makers published by *Area Development Magazine*, a site and facilities planning publication. The information in Table 5-2 shows a score-based ranking of the top site selection factors for the years 2009 through 2013 as identified by a sampling of America's corporate executives. The factors are ranked by their five-year average scores, with the overall change in the ranking (2009 to 2013) also presented. Although not specific to any one area, the results of this effort indicate those factors that are most important when a company is considering relocation/expansion. This analysis helps to identify those attributes of Huntersville to highlight, in terms of marketing efforts, as well as identification of attributes that may need to be improved.

An examination of averages over the last five surveys indicates that highway accessibility and labor costs continually rank at the top of the list. Both of these factors are related to long-term operations costs. The availability of skilled labor is the top selection criterion for the first time in five years, rising over eight points since 2009, reinforcing that the importance of education and training cannot be overstated. The high importance of occupancy and construction costs and the availability of buildings suggest that businesses may be anxious to move once the decision to expand or relocate has been made. Factors which may be more closely tied to start-up and operating costs include corporate tax rate (7th), state and local incentives (8th), low union profile (9th), and tax exemptions.

Of the top 26 criteria identified in the table, Huntersville's positioning is considered to be positive within many of the categories from a marketability standpoint. Brief synopses of selected criteria are noted below.

- *Availability of Skilled Labor* – There is an abundant supply of highly skilled, white collar workers in the Charlotte region that includes Huntersville. However, highly-skilled, blue collar workers are somewhat less abundant. The pool of semi-skilled labor, both blue and white collar, offers potential for recruiting and training to fill production-based jobs. Area Development Magazine ranked the Charlotte MSA 13th out of 380 MSAs in *Workforce 18-44 Years with a Bachelor's Degree or Higher* in its Leading Locations for 2013 survey.

- *Highway Accessibility* – Huntersville has direct access to I-77 and indirect, relatively close access to I-85 and I-485 which is scheduled for completion in 2015.

- *Labor Costs* – Wages in the Charlotte MSA are higher than both the state and the nation. The 2012 average mean hourly wage in the MSA was $22.51, compared to $20.07 in the state and $22.01in the nation. By comparison, 2012 average mean hourly wage in the Raleigh-Cary MSA was $22.65 and the Atlanta, GA MSA was $23.61.

- *Occupancy or Construction Costs* – Construction costs in the Charlotte MSA generally run between 90% and 92% of the national average, according the January 2012 Marshall Valuation Service, a nationally recognized building cost indexing service.

- *Availability of Advanced ICT Services* - Broadband service providers in Huntersville include: AT&T Mobility, Sprint-Nextel, Verizon Wireless, Net Zero (mobile wireless); AT&T (fiber optic), Time Warner Cable (cable modem); and, Hughesnet and Dish Net (satellite). AT&T just announced that Huntersville has been selected as a target market for its ultra-fast fiber network, featuring AT&T U-Verse with GigaPower service. This service will greatly enhance the Town's attractiveness to those businesses which require the fastest broadband speeds available.

- *Availability of Buildings* – Although the Huntersville has over 300,000 square feet of office space advertised for rent (Spring 2014) there is only 78,000 square feet of flex space for rent, which could constrain the expansion or attraction of light industrial enterprises.

- *Corporate Income Tax Rate* – The State of North Carolina's corporate tax rate was 6.9% in 2013. This rate was the highest among the competitive states of South Carolina (5%), Virginia (6%), Tennessee (6.5%), and Georgia (6%). However, in 2014 the North Carolina General Assembly lowered the rate to 6%, putting it just behind South Carolina with the lowest rate.

- *State and Local Incentives* – Lake Norman Region Economic Development Incentive Grants are awarded by the Towns of Cornelius, Davidson and Huntersville based on a variety of criteria including size and type of project, job creation, growth potential, environmental impact and other considerations. Mecklenburg County's Business Investment Program grants are targeted to high-wage, high-capital investment companies through the use of a fiscal impact analysis tool. North Carolina offers tax credits for digital media companies, tech companies, and renewable energy programs. Grants include the Job Development Investment Grant, and funding can also be obtained through the One North Carolina Fund.

- *Low Union Profile* – According to the U.S. Department of Labor's Bureau of Labor statistics, North Carolina had the lowest union membership rate among states at 3.0%, in 2013.

- *Tax Exemptions* – There are a number of tax incentive options available at the state level including Article J3 Tax Credits (job creation, investment in business property), Interactive Digital Media Tax Credit, NC Ports Tax Credits (toward income taxes paid by businesses using North Carolina Ports facilities), Renewable Energy Tax Credits, Technology Development Tax Credits, as well as sales and use tax discounts, exemptions and refunds.

- *Availability of Land* – Huntersville has over 50 shovel ready business sites on 370 acres of land, and over 1,000 additional acres zoned for business use.

- Expedited or "Fast Track" Permitting – RKG's interviews with members of the development community indicate that there is still some dissatisfaction with the Town's permitting and development approval process. Either there is not broad recognition or understanding of the Town's efforts to improve the entitlement and permitting process or there is a reluctance to accept the Town's process. In either event, the Town must continue to educate and communicate its policies and seek ways to refine them over time.

- *Accessibility of a Major Airport* – Charlotte Douglas International Airport handles ten major airlines and serves eight key non-stop international destinations.

Table 5-2
Top Site Selection and Quality of Life Criteria
Area Development Magazine

Rank	Criterion	2009	2010	2011	2012	2013	Average	5-Yr. Δ
SITE SELECTION FACTORS								
1	Availability of Skilled Labor	86.9	85.9	88.4	89.4	**95.1**	89.1	8.2
2	Highway Accessibility	92.9	97.3	93.8	90.1	**93.5**	93.5	0.6
3	Labor Costs	96.7	91.0	88.4	90.8	**90.8**	91.5	(5.9)
4	Occupancy or Construction Costs	86.7	89.8	85.9	82.8	**87.1**	86.5	0.4
5	Availability of Advanced ICT Services	83.2	72.9	76.6	85.1	**84.6**	80.5	1.4
6	Availability of Buildings	75.7	81.0	76.3	78.4	**83.3**	78.9	7.6
7	Corporate Tax Rate	87.0	86.3	86.0	79.3	**82.4**	84.2	(4.6)
8	State and Local Incentives	84.9	89.3	85.9	71.1	**81.9**	82.6	(3.0)
9	Low Union Profile	75.8	75.4	81.0	73.5	**81.4**	77.4	5.6
10	Energy Availability and Costs	88.0	82.1	84.8	81.3	**80.8**	83.4	(7.2)
11	Tax Exemptions	88.4	90.9	83.6	75.4	**80.6**	83.8	(7.8)
11T	Right-To-Work-State	74.0	67.9	77.5	72.6	**80.6**	74.5	6.6
13	Availability of Land	75.7	73.4	73.9	59.0	**80.3**	72.5	4.6
14	Expedited or "Fast-Tracked" Permitting	72.2	68.2	72.4	67.2	**76.3**	71.3	4.1
15	Proximity to Major Markets	73.3	66.4	83.0	72.2	**75.6**	74.1	2.3
16	Availability of Long-Term Financing	65.4	58.5	70.0	63.1	**74.8**	66.4	9.4
17	Environmental Regulations	71.2	74.8	76.4	71.1	**71.7**	73.0	0.5
18	Inbound/Outbound Shipping Costs	81.7	84.0	81.6	63.7	**70.9**	76.4	(10.8)
19	Proximity to Suppliers	63.9	63.6	67.8	54.9	**67.7**	63.6	3.8
20	Raw Material Availability	57.0	61.5	52.8	49.7	**60.5**	56.3	3.5
21	Accessibility of Major Airport	49.0	50.0	55.7	52.9	**59.4**	53.4	10.4
22	Proximity of Technical University	36.7	36.1	40.2	50.3	**54.1**	43.5	17.4
23	Training Programs	61.7	56.7	50.6	54.7	**51.5**	55.0	(10.2)
24	Availability of Unskilled Labor	55.5	45.4	58.9	42.9	**48.9**	50.3	(6.6)
25	Railroad Service	27.4	36.0	33.6	43.6	**29.4**	34.0	2.0
26	Waterways or Oceanport Accessibility	17.7	21.9	24.5	19.9	**20.2**	20.8	2.5
QUALITY-OF-LIFE-FACTORS								
1	Low Crime Rate	79.0	86.4	82.0	79.3	**80.9**	81.5	1.9
2	Healthcare Facilities	68.4	72.2	71.0	69.8	**79.7**	72.2	11.3
3	Housing Costs	61.5	68.4	69.0	66.9	**75.3**	68.2	13.8
4	Ratings of Public Schools	61.4	61.2	68.8	63.3	**73.0**	65.5	11.6
5	Housing Availability	62.4	66.4	64.1	69.8	**71.5**	66.8	9.1
6	Recreational Opportunities	52.7	48.2	52.2	52.9	**66.4**	54.5	13.7
7	Colleges and Universities in Area	50.7	53.2	56.6	61.6	**59.5**	56.3	8.8
7T	Climate	55.0	56.3	52.2	55.0	**59.5**	55.6	4.5
9	Cultural Opportunities	46.0	48.7	42.8	48.9	**54.8**	48.2	8.8

Source: Area Development Magazine, 2009-2013; RKG Associates 2014

D. STRENGTHS, WEAKNESSES. OPPORTUNITIES, THREATS

In addition to ranking site selection factors, *Area Development Magazine* has also analyzed economic and work force data for 390 MSAs both for 2011-2012 (recent performance) and 2007-2012 (duration of the Great Recession) to rank Leading Locations for 2013. The goal of this effort was to identify which cities in the U.S. are emerging from the recession as front-runners, and why. Leading Locations calculates an MSA's "Overall Ranking" across four categories: "Prime Work Force," "Economic Strength," Recession-Busting Cities," and "Year-Over-Year Growth." Rankings in the four categories are calculated based on individual indicators which include: "Workforce 18-44 Years with Bachelor's Degree or Higher" and "Total Inward Migration Bachelor's Degree or Higher, % of Total Workforce," "Local Area Unemployment Rates," "Wage and Salary Growth," "Per Capita Real Gross Metropolitan Product," "Employment Growth as % of Population," and "Goods Producing Employment Growth as % of Population." The MSA with the best performance in a certain indicator earned a ranking score of "1" and the MSA with the worst performance earned a ranking score of "390."

The Charlotte MSA scored an overall rank of 111 (out of 390 MSAs) in Leading Locations, within the top third of MSAs analyzed. Strengths in the ranking categories were "Economic Strength Indicators" and "Year-Over-Year Growth Cities Indicators." The MSA ranked fairly low in "Prime Workforce Indicators" and "Recession Busting Cities" indicators. Strong individual indicators include "Workforce 18-44 Years with Bachelor's Degree or Higher," "Per Capita Real Gross Metropolitan Product," "Employment Growth as % of Population," and "Goods Producing Employment Growth as % of Population." Weak individual indicators were "Local Area Unemployment Rates" and "Wage and Salary Growth" (Table 5-3).

Table 5-3
Leading Locations 2013: Ranking for Economic and Job Growth
Charlotte MSA

RANKINGS BY CATEGORY	
Overall Rank	111
Prime Workforce Indicators	230
Economic Strength Indicators	67
Recession-Busting Cities Indicators	269
Year-Over-Year Growth Cities Indicators	31
INDIVIDUAL INDICATORS	
Workforce 18-44 Years with Bachelors Degree or Higher	13
Total Inward Migration Bachelors Degree or Higher, % of Total Workforce	134
Local Area Unemployment Rates	337
Wage and Salary Growth	295
Per Capita Real Gross Metropolitan Product	28
Employment Growth as % of Population	41
Goods Producing Employment Growth as % of Population	94

Source: Area Development Magazine; RKG Associates 2014

Area Development also employs site consultants to rank states on factors in the following categories: "Business Environment" (costs, taxes and regulations, incentives, etc.), "Labor Climate" (diversity, costs, development programs, etc.), and "Infrastructure and Global Access" (rail/highway access, shovel ready sites, utility rates, logistics access). Overall Rank and major categories are ranked 1 to 10; lesser categories are ranked 1 to 5, with a dash indicating no ranking.

North Carolina ranks fifth among states as being conducive to business, which is advantageous to any jurisdiction in the state seeking to attract business. Particular strengths are the cost of doing business, access to capital and project funding, availability of skilled labor, competitive labor costs, leading workforce development programs, a right-to-work environment, certified sites/shovel ready program and competitive utility rates (Table 5-4).

Based on the findings contained in the previous sections and interviews with Huntersville stakeholders, including Town staff, developers, real estate professionals, business owners and managers, economic development professionals and others, summaries of Huntersville's strengths, weaknesses, opportunities and threats are presented in Table 5-5.

Table 5-4
Top States for Doing Business 2013
North Carolina

OVERALL RANK	**5**
BUSINESS ENVIRONMENT	**6**
Cost of Doing Business	4
Incentive Programs	—
Corporate Tax Environment	—
Cooperative State Government	—
Access to Capital & Project Funding	3
Speed of Permitting	—
Renewed Consideration Post Recession	—
Most Favorable Regulatory Environment	—
LABOR CLIMATE	**3**
Availability of Skilled Labor	2
Competitive Labor Costs	5
Leading Work Force Development Programs	3
Most Diverse Labor Pool	—
Right-to-Work Environment	3
OVERALL INFRASTRUCTURE AND GLOBAL ACCESS	**5**
Rail and Highway Access	—
Certified Sites/Shovel Ready Program	4
Competitive Utility Rates	5
Distribution and Logistics Access	—

Source: Area Development Magazine; RKG Associates 2014

Table 5-5
Strengths, Weaknesses, Opportunities, Threats
Town of Huntersville 2014

STRENGTHS	WEAKNESSES
• Large highly skilled and semi skilled white collar workforce and semi skilled blue collar workforce	• Town is vulnerable to same forces that drove down the county's manufacturing sector
• Large number of shovel ready sites and land inventory for employment generating uses	• Tax base imbalance - weighted towards residential
• Access to an international airport with key nonstop international destinations	• High regional unemployment rates
• Good interstate access, I-85 & I-77 north-south, access to I-40 east-west and future I-485	• Traffic congestion - I-77 and NC-73
• Proximity and regional access to water as a recreational resource	• Stagnant wage and salary growth
• Established industrial base of international companies	• Development review and entitlement process is viewed by some members of the development community as difficult and time-consuming
• Central Piedmont Community College	• Lack of public access to Lake Norman
• Destination area: tourism & sporting events	• Lack of a defined downtown commercial district
	• Lack of full-service hotel and conference center
OPPORTUNITIES	**THREATS**
• Roadway transportation improvements	• Intrastate/interstate competition
• Commuter rail will create the potential for transit oriented development	• Daily out-commuting of highly skilled workforce
• Commerce Station can support heavier industry than would be appropriate elsewhere	• Non-residential build-out density is very low, consuming land at a fast rate

Source: RKG Associates 2014

E. REGIONAL CLUSTER ANALYSIS

1. Overview

The regional cluster analysis process "casts a wide net" in regards to identifying potential target industries. Taking a more aggressive approach to identifying possible business targets for Huntersville provides greater flexibility for the implementation entity (Town and LNREDC) to determine the priorities for business recruitment. In this context, aggressive means that the screening process was inclusive rather than exclusive relative to potential opportunities that may appear marginal in light of historical economic trends. Being inclusive at this phase ensures any potentially viable options can be tested before being eliminated.

Furthermore, the target industry lists move beyond just static targets. They identify vertical (supply-chain) and horizontal (market) relationships within the primary target markets. By taking this approach, the Town can apply a comprehensive approach to building upon existing industry clusters and developing new ones. This is particularly important when targeting businesses that already have a relationship with an existing regional industry and/or business. In these cases, the local business leaders can work as ambassadors for the community, opening the dialogue between the prospect and the Town.

2. Industry Screening

Industry cluster analyses involve examining the economic relationships among commercial and industrial sectors. From the cluster analysis, RKG Associates identified those industries that may enjoy a competitive advantage within the greater Mecklenburg region, but would also benefit from Huntersville's strategic location. The underlying assumption of the cluster analysis is that companies concentrate in areas where they enjoy some competitive advantage. These advantages, whether related to location, natural resources, vendor relationships or other factors, allow companies to compete more successfully.

An industry cluster is a group of companies in industries that are related in one of three ways:

- *Buyers and Suppliers* – the most common relationship
- *Competitors* – producers of same or similar goods and service, usually firms in the same or similar industries
- *Shared Resources* – companies that rely on the same location- specific resources such as labor and raw materials

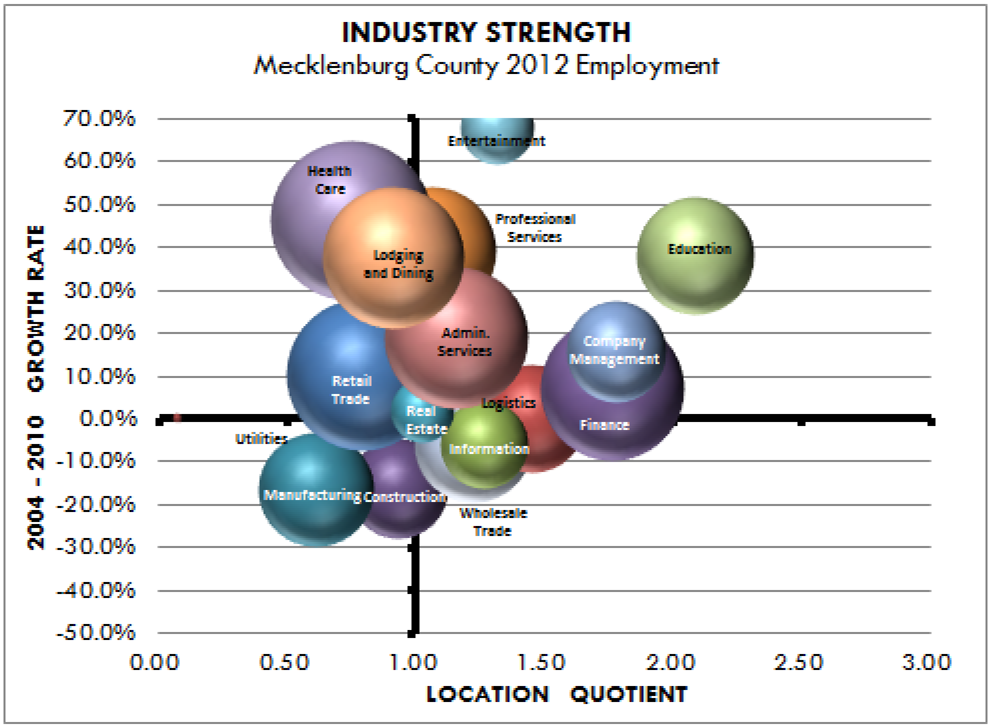
A relative measure of how a local economy is performing can be estimated by comparing employment growth for specific industry sectors to that of a larger economy. This measurement, which is represented as a ratio, is referred to as a Location Quotient (LQ). If the LQ is near 1.0, it indicates that the area has a comparable proportion of its employment base in a given sector to that of the larger area, which in this case, is the United States as a whole. If the ratio is less than 1.0, then the area has a lower concentration of employment in that industry sector relative to the country while an LQ greater than 1.0 indicates a greater concentration by the area overall. Areas with high concentrations of employment (LQs above 1.25) are considered to have a competitive advantage in that industry. In this analysis, the LQ's, and their respective growth rates, were developed based on employment changes between 2004 and 2012.

Figures 5-1 and 5-2 illustrate the Location Quotients for Mecklenburg County and the Charlotte Regional Partnership territory as of 2012. The size of the bubbles represents total employment, their position from left to right indicates their LQ for 2012, and their position from top to bottom indicates growth rate between 2004 and 2012. (Note: Not all sectors are presented in the figure; those that represented relatively small components of the economy, or which have very low LQs, have been omitted. These include Mining, Management of Companies and Enterprises, and Arts, Entertainment, and Education).

Some of the comparative findings illustrated in Figures 5-1 and 5-2 are as follows:

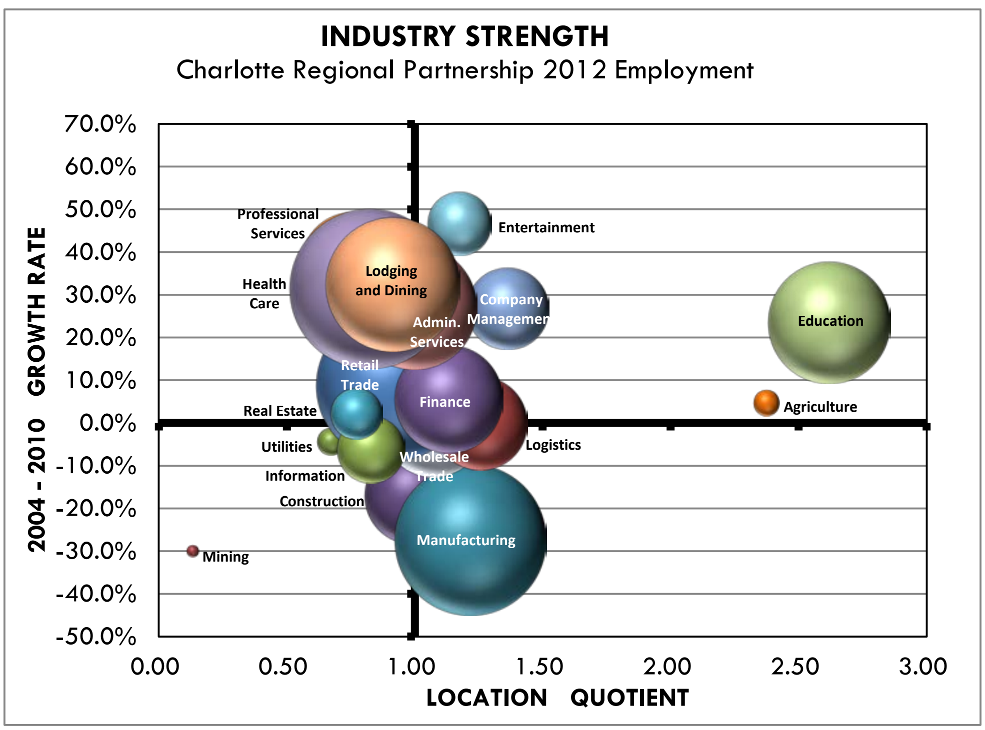
- Aside from education, whose employment is largely driven by population and households, Mecklenburg's strongest industry is **Finance**, which has continued to grow in spite of the losses it incurred in the Great Recession. The Town, county and region have all experienced net increases in employment in Finance since 2002.
- **Manufacturing** is a relatively strong but unstable sector for the region, but less so for the county. Employment has declined in both locations indicating that the market dynamics are consistent across the region, although the region has suffered job losses at a faster rate than the county. Employment in manufacturing has increased in Huntersville since 2002, peaking in 2010.
- **Wholesale Trade** employs slightly more persons than Manufacturing in the county, has a relatively high LQ of 1.22, and declined 5.7% in employment over the ten-year period. This sector employed 960 in Huntersville in 2011, down from 1,160 in 2002.
- **Healthcare** is a strong component of both the local and regional economies. The Town has benefitted from the presence of the Huntersville Medical Center (75 beds). Recent activity in the medical office marketplace points to an established private practice sector in Huntersville as well. An LQ of 0.74 suggests that the county's Health Care sector could expand fairly significantly.
- The county and region **Logistics** (transportation & warehousing) sectors show high LQs of 1.45 and 1.26, respectively, but with static employment levels. The area undoubtedly benefits from excellent interstate, rail, and air transportation access but has not experienced growth in employment in the last decade.
- The **Information** sector comprises establishments engaged in the following processes: producing and distributing information and cultural products; providing the means to transmit or distribute these products as well as data or communications, and; processing data. While not a significant employment sector in the Town, Information nonetheless saw a 62% decrease in employment and has a 1.26 LQ in the county.
- **Professional Services** includes legal, accounting & bookkeeping, architecture & engineering, computer systems design and related services, management and technical consulting, scientific research and development, advertising, and other services. In the county, the highest employment was in management and technical consulting (~11,000). The county has a healthy LQ of 1.06 and a robust growth of almost 40% in ten years. Huntersville's employment in this sector doubled from 433 in 2002 to 877 in 2011.
- **Management of Companies and Enterprise**s essentially comprises holding companies, or enterprises that own and manage other companies. Concentrations in this sector are commonly located in financial clusters such as the Charlotte region. This sector enjoys a competitive advantage in all of the comparative areas.
- **Administrative Services** includes employment services (its largest subsector); business support services, investigation and security services, services to buildings and dwellings, facilities support services, waste management, etc. This sector actually declined in Huntersville over the ten-year period, but grew 20% in the county and has a 1.15 LQ.
- **Arts, Entertainment and Recreation** are critical elements for an area's quality of life, and indicators show a strong sector in the Town, county and region.

Figure 5-1



Source: NC Labor & Economic Analysis Division; RKG Associates 2014

Figure 5-2



Source: NC Labor & Economic Analysis Division; RKG Associates 2014

- **Lodging and Dining** are also important quality of life elements, and are critical to supporting commerce and tourism. While this sector has enjoyed considerable growth, the county and region LQs suggest room for continued expansion.

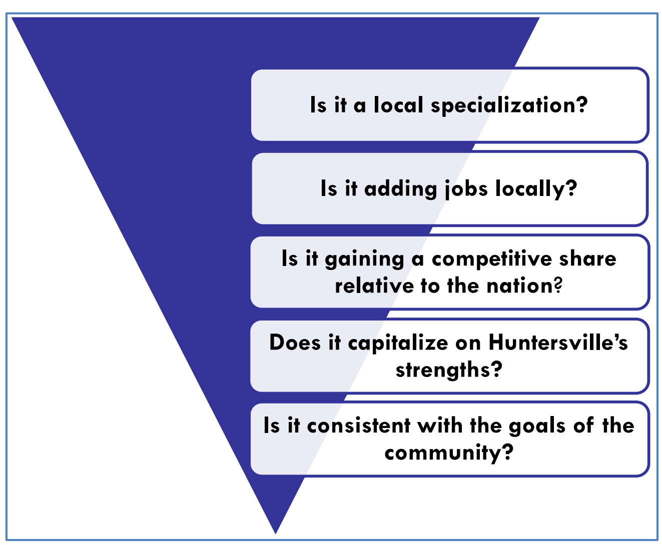
F. RECOMMENDED TARGET INDUSTRY CLUSTERS

Industry cluster analysis provides a method for determining local competitive advantage – which in turn is crucial in attracting investment, be it through attracting new firms or expansion of existing firms. The industry cluster analysis presented in this report relied on a statistical identification process designed to incorporate and assimilate local/regional, state, and national economic data. The fundamental criteria analyzed in the process include:

- *Industry Concentration* – RKG Associates examined current concentrations of each industry in the greater Huntersville region using the previously described, Location Quotient ratio (LQ). A higher LQ, either at the local or regional level, indicates a strong employment and business base upon which to build economic development efforts. Conversely, a lower concentration of employment suggests that a given industry may not be well suited for the Town or may be in decline and not supportable in the long-term.
- *Industry Growth* – Industries with positive growth over the most recent ten-year period with complete data (2003-2012) and those that are most likely to grow both locally and regionally.
- *Industry Size* – Component industries of an industry cluster must have sufficient size in terms of total employment, number of establishments and total sales in order to justify their inclusion in the cluster.
- *Regional Target* – Industry sectors/clusters that have been targeted within the broader region by the Charlotte Regional Partnership have been given higher priority in this analysis as a Town cluster since they either already have a strong presence in the region (but not necessarily in the Town) and/or, will be the focus of future marketing efforts by regional and state economic development organizations.
- *Local Fit* – The Local Fit includes both quantitative analysis and considerable professional judgment, based on community characteristics, industry preferences, specific industry composition and location-based activity. Based on weighted values of the four criteria noted above, as well as professional judgment, each industry sector has been given a ranking of very strong, strong, moderate, or stable.
- *Other Criteria* – Includes an assessment of local infrastructure such as the presence, cost and accessibility of highways, rail, utilities, telecommunications, and the match of the region's labor force profile with industry needs.

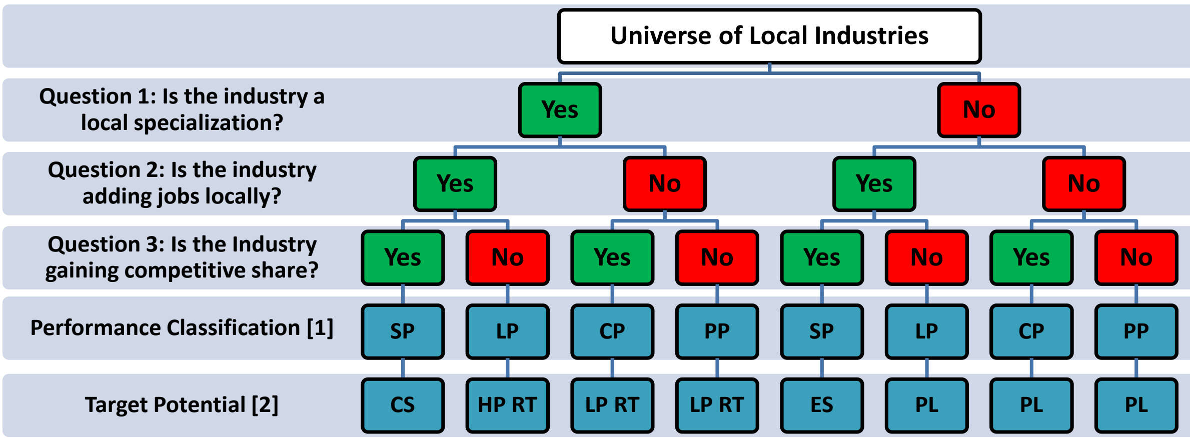
The multi-step process used to identify industry targets for Huntersville is illustrated in Figure 5-3.

Figure 5-3



A more detailed illustration of the quantitative processes is provided in the following "Decision Tree" diagram (Figure 5-4).

Figure 5-4



[1] *Performance Classification Codes*: SP = Strong Performer; LP = Lagging Performer; CP = Constrained Performer; PP = Poor Performer
[2] Target Potential Codes: CS = Current Strength; HP RT = Higher Priority Retention Target; LP RT = Lower Priority Retention Target; ES = Emerging Strength; PL = Prospects Limited

Using the criteria described above, industry clusters recommended for further recruiting efforts by the Town are summarized in Table 5-6 and described below. Although location quotients are calculated based on 3-digit NAICS codes, target industries are further refined into 4-digit NAICS code classifications, where appropriate.

1. Target Industry Cluster #1 – Finance

Finance is the county's third largest employment sector behind Health Care and Retail, accounting for 9.6% of employment. Charlotte is currently the nation's second largest banking center, with six of the top ten banks in commercial and industrial loans operating in Charlotte. The number of establishments in the county's finance sector grew from 2,020 in 2003 to 2,455 in 2012, an increase of 355 firms. In Huntersville, employment in this sector increased from 219 to 707 from 2002 to 2011. The largest Finance firm in Huntersville is GM Financial, employing 300 and specializing in auto loans and leases.

As long as the Finance sector continues to grow in the region, Huntersville has the opportunity to attract business by virtue of its inventory of quality Class "A" office space, its attractiveness as a place of residence, and its diverse housing opportunities.

2. Target Industry Cluster #2 – Product Manufacturing

Mecklenburg County lost over 20,000 jobs in Manufacturing from 2002 to 2011, a decrease of 39%. However, Huntersville managed to add 251 Manufacturing jobs in the same period, an increase of 41%. Four of Huntersville's top ten employers are manufacturers, and include Rubbermaid (400 employees, household and commercial products), Pactiv Corporation (315 employees, food packaging products), Forbo Siegling (280 employees, belts: conveyor, transmission, etc.), and SABIC Innovative Plastics (211 employees, specialty plastics).

Table 5-6
Priority Industry Clusters
Town of Huntersville

NAICS	Description	County Employment 2012	LQ	Employment Growth Rate '03-'12	Regional Target	Local Fit
#1 - FINANCE						
522	Credit Intermediation and Related Activities	23,699	2.41	9%	Yes	Very Strong
523	Securities & Other Financial Investment Services	8,115	2.15	45%	Yes	Very Strong
#2 - PRODUCT MANUFACTURING				**41%**		
313	Textile Mills	662	1.40	22%	Yes	Strong
326	Plastics and Rubber Products Manufacturing	3,128	1.08	-29%	No	Strong
332	Fabricated Metal Product Manufacturing	3,296	0.60	-7%	No	Strong
333	Machinery Manufacturing	6,106	1.52	18%	Yes	Strong
335	Electrical Equipment, Appliance, and Component Manufa	899	0.63	283%	No	Strong
339	Miscellaneous Manufacturing	1,310	0.54	-14%	Yes	Strong
#3 - TECHNICAL, RESEARCH, CONSULTING AND CORPORATE OPWERATIONS						
541	Professional, Scientific, and Technical Services	38,822	1.15	40%	Yes	Strong
5416	Management & Technical Consulting Services	10,804	—	106%	No	Strong
5417	Scientific Research and Development Services	1,737	—	188%	No	Strong
551	Management of Companies and Enterprises	23,930	1.95	16%	Yes	Strong
#4 - HEALTH CARE						
6211	Offices of Physicians	11,404	—	41%	Yes	Very Strong
6212	Offices of Dentists	3,366	—	38%	Yes	Very Strong
6213	Offices of Other Health Practitioners	2,459	—	57%	Yes	Very Strong
621	Ambulatory Health Care Services	21,712	0.81	60%	Yes	Very Strong
622	Hospitals	21,351	0.87	51%	Yes	Very Strong
6221	General Medical and Surgical Hospitals	20,821	—	46%	Yes	Very Strong
6223	Other Hospitals	2,091	—	119%	Yes	Very Strong
623	Nursing and Residential Care Facilities	8,951	0.64	20%	Yes	Very Strong
6231	Skilled Nursing Care Facility	3,045	—	26%	Yes	Very Strong
#5 - ARTS, ENTERTAINMENT, RECREATION				**117%**		
711	Performing Arts, Spectator Sports, and Related Industries	3,118	1.70	51%	Yes	Very Strong
7112	Spectator Sports	2,042	—	148%	Yes	Very Strong

Source: North Carolina Labor and Economic Analysis Division, RKG Associates 2014

Although conventional wisdom holds that textile mills in North Carolina are a thing of the past, Mecklenburg County has managed to grow this sector, increasing employment by 22%, from 542 in 2003 to 662 in 2012. SAERTEX USA, a German-based company with a facility in Huntersville, employs 200 persons manufacturing industrial fabrics. Textile Mills has the second highest location quotient in the county. Two of Huntersville's top ten companies are in the Plastics and Rubber Products category, the aforementioned Rubbermaid and Pactiv. Another company, Poly-Tech Industrial (29 employees), manufactures and distributes specialty plastic components. Although Plastics and Rubber Products has suffered employment losses in the past decade, it has a strong presence in Huntersville, and a county LQ of 1.40.

Machinery Manufacturing is the strongest manufacturing subsector in the county, with employment of over 6,000, an LQ of 1.58, and ten-year growth of 18%. Huntersville companies in this category include, but are not limited to: Irwin Tools (200 employees), maker of power tools; Keller Technology (61 employees), maker of industrial process equipment, specialty production machines, and manufacturing systems for medical devices; and, Huber Technology (a German-based company employing 47), maker of equipment for municipal and industrial water and wastewater treatment. Huntersville's largest Fabricated Metal Products concern is Max Daetwiler Corporation (a Swiss-based company employing 95), makers of a specialty metal part for flexographic printing, as well as custom machine parts.

The Town's premier Electrical Equipment manufacturer is ABB (a Swiss-based company employing 114), makers of high voltage electric transmission cables. Although this subsector is small, it has experienced very rapid growth in ten years. Huntersville has several growing Miscellaneous Manufacturing companies, including: the aforementioned Forbo Siegling (a Swiss-based company); and, Microban International (a Thailand-based company, makers of antimicrobial additives for plastics and coatings).

Based on the factors noted above, product manufacturing is considered to be a very strong fit for target industry recruitment efforts within the Town. This will largely be a continuation of previous efforts but should not be overlooked due to the relative strength exhibited by historical growth rates. Huntersville's economic development partners should, to the extent possible, work to ensure that existing businesses can attract and retain an adequate supply of labor, have sufficient infrastructure to grow their operations, and obtain available financial inducements. Encouraging the construction of new manufacturing facilities through development of assets, regulatory policies, infrastructure and roadway expansion, and public private partnerships should be continued.

3. Target Industry Cluster #3 – Technical, Research, Consulting and Corporate Operations

This target cluster includes the Professional, Scientific, and Technical Services category which employed over 870 of Huntersville's workers in 2011. This sector added 444 jobs from 2003 to 2012, nearly doubling employment in the Town. Key subsectors include legal, accounting and bookkeeping, and architectural and engineering services. By far, the strongest subsector in the county is Management and Technical Consulting Services with 10,800 employees and 106% growth over ten years. The fastest growing, but still relatively small, subsector is Scientific Research and Development which grew from 603 employees in 2003 to 1,737 in 2012.

Huntersville offers a high quality of life due to the number and accessibility of recreation features (particularly outdoor recreation) as well as a comparatively low cost of living. These factors are strong selling points in attracting the home-based and small-scale professional services industry. Subsectors such as the architecture and engineering sector are steadily expanding beyond the traditional urban markets due to technology advances such as high-speed fiber optic telecommunications (e.g., U-Verse) and affordable communication software (i.e. Skype). In addition, in April 2014, AT&T announced plans to offer super-fast (1 gigabyte/sec.) Internet service called U-Verse to six North Carolina cities including Huntersville. The telecom company will offer Internet service to homes and businesses at speeds 100 times faster than regular connections and this could create opportunities for existing and new companies to increase their use of the Internet or access to data to increase business opportunities.

The Administrative and Support Services sector is an important component to retention and recruitment. This sector comprises establishments performing routine support activities for the day-to-day business operations of other organizations and is necessary for long-term sustainability. The activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services. Although the Town saw a decline in employment in this sector, the county experienced an 18.8% increase and has an LQ of 1.16. While not a direct target industry, Huntersville's economic development partners need to monitor satisfaction of existing businesses and work to maintain a high level of service through support for expansion/recruitment of providers.

4. Target Industry Cluster #4 – Healthcare

The Healthcare sector is an important component of the regional economic base. Healthcare-related jobs accounted for almost 12% of all employment within Huntersville, totaling approximately 1,720 as of 2011 the third largest employment sector in the Town behind retail and hospitality. The majority of this employment is related to ambulatory care (doctor's offices and clinics) and hospital operations.

Healthcare is a strong industry in urban and suburban areas where there are hospitals. Healthcare employment in the Town grew 84% compared to 33% in the county, reflecting Huntersville's population growth and the increased need for health care services for its residents.

Given the existing employment concentration and historical growth of the local and regional healthcare sector, it is considered to be a very strong local fit as a target cluster for the Town. Initial opportunities for growth in healthcare jobs are to work with existing providers to identify primary and specialty services currently not offered in Huntersville. Another opportunity relates to Huntersville's retirement population. The growing senior population will increase the demand for continuing care facilities and medical services as they age in place. Along with increasing geriatric care, there may be other opportunities to expand specialized treatment facilities based on further strategic planning with area healthcare leaders.

5. Target Industry Cluster #5 – Spectator Sports

Visit Lake Norman, aka the Lake Norman Convention and Visitors Bureau, estimates that sporting events in Cornelius, Davidson and Huntersville generated approximately $23 million in visitor spending in 2012. According to the NC Department of Commerce, every $98,000 in visitor spending supports one job, meaning sporting events supported 235 jobs in the local recreation, hospitality, food and beverage, and retail industries. It is estimated that baseball/softball alone generated over $10 million in direct spending. The premier baseball/softball facility is located in Huntersville, and features five lighted ball fields.

6 IMPLEMENTATION STRATEGY

A. INTRODUCTION

The Town of Huntersville recognizes the need to build upon previous successful economic development initiatives to provide a vision and action plan to guide economic development activity over the next fifteen years. Huntersville's uniqueness in the regional economic development landscape necessitates that it take a more proactive approach with its own business and economic development initiatives, and otherwise develop a plan to help ensure a sustainable balance of employment and households.

The first step in this process is to understand the growth dynamics of Huntersville, particularly in the context of economic development initiatives undertaken since the implementation of the 2002 North Mecklenburg County Economic Development Strategy and the creation of the Lake Norman Regional Economic Development Corporation (LNREDC). This process was facilitated through the examination and analysis of demographic and economic/market factors that influence growth and development in the Town, as well as one-on-one interaction with economic development professionals, business owners and operators, real estate developers and brokers, vocational educators and trainers, and public sector administrators.

The next step was to gain an understanding of the ongoing efforts of the LNREDC and other economic development agencies, including their specific activities in support of Huntersville's economic development objectives. This is to ensure that the Town's strategy enhances, not duplicates, current initiatives, and otherwise expands economic development activity outside of the responsibilities of the LNREDC, local and regional Chambers of Commerce, Central Piedmont Community College, Visit Lake Norman, and other key advocacy organizations. In this way the Town can direct their efforts and allocate resources where they will be most effective in achieving their specific goals and objectives.

The resulting implementation strategy provides the vision and blueprint for the Town to most effectively allocate the resources necessary to achieve its objectives for promoting job creation, attracting private investment, and expanding Huntersville's tax base while maintaining a high quality of life for its citizens. The following plan incorporates short-, medium- and long-term initiatives that will enable the Town to take immediate action on certain tasks, as well as initial steps in the planning for long-term projects.

B. ONGOING LOCAL INITIATIVES

1. Lake Norman Regional Economic Development Corporation (LNREDC)

The Lake Norman Regional Economic Development Corporation is the lead agency for implementing economic development initiatives for the towns of Huntersville, Cornelius and Davidson. LNREDC also plays the strategic leadership role in working with and leveraging the assets of regional and state economic development entities as well as workforce development, education and job-training providers. On its client's behalf, LNREDC operates a coordinated program focused on the following five key areas:

a.) *Product Development*

- Maintain a database of available buildings and sites;
- Serve as a consultant for Lake Norman Region industrial parks;
- Assist landowners with state certified industrial site program; and,
- Coordinate management group for Commerce Station Business Park & assess other business parks.

b.) *Business Retention & Expansion (BRE) Program*

- Conduct ongoing, regular LNREDC staff visits to local businesses to assess their needs and render assistance as appropriate;
- Present a quarterly BRE (Business Retention & Expansion) report to LNREDC's investors, board of directors and town board members monthly;
- Work with partners in the region to respond to companies' needs and suggestions following each company visitation;
- Facilitate quarterly Lake Norman Region Executive Roundtable luncheons so business leaders have the opportunity to interact with peer leadership on a regular basis.

c.) *Investor Relations* — Although the majority of financial support for the LNREDC comes from the towns of Huntersville, Cornelius and Davidson, the EDC also receives annual contributions from over fifty private sector entities, including manufacturers, professional services businesses, financial institutions, utility providers, hospitality businesses, etc. In addition to the quarterly Roundtable luncheons with business leaders, the EDC collaborates in the community to foster public and private support and raise local awareness of the need for and fiscal and economic benefits of economic development.

d.) *Communication & Networking/Community Involvement* — The EDC works with industry, government, schools, community leaders, and the public to advocate for industry, expand existing industry, encourage new industry, and enhance the standard of living in the Lake Norman region.

e.) *Recruiting & Marketing*

- Globally markets Lake Norman region to potential investors in partnership with the Charlotte Chamber, Charlotte Regional Partnership and the NC Department of Commerce. The Charlotte Chamber has both a European and Asian Business Developer, and the NC Department of Commerce recently conducted recruiting missions to Asia, Europe and South America.
- Provide the latest information to companies & consultants;
- Participate in marketing economic events on the regional, state and national level.

2. Central Piedmont Community College (CPCC)

Central Piedmont Community College is the largest community college in the state, and has six campuses located throughout Mecklenburg County, including Huntersville. CPCC's stated core mission is workforce development oriented to preparing students for the jobs local employers need to fill. CPCC offers nearly 300 degree and certification programs, along with customized corporate training and market-focused continuing education. The college also offers an apprenticeship program for participating companies that focuses on manufacturing technologies.

a.) *Customized Training* — The customized training program provides education, training and support to new, expanding and existing businesses in North Carolina. Eligible industries include:

- Manufacturing;

- Technology intensive;
- Air couriers;
- Inbound call centers;
- Regional/national warehouse & distribution centers;
- National headquarters with operations outside of North Carolina;
- Civil Service employees providing tech support to U.S. Military installations located in North Carolina.

b.) Apprenticeship Charlotte — The apprenticeship program focuses on manufacturing technologies in particular occupations, including machining and engineering. The typical apprenticeship is a two- to three-year investment and combines paid, supervised, on-the-job learning with related academic instruction. The end product is a carefully selected, fully trained and credentialed employee who can meet custom needs.

3. Local Incentives

a.) *Lake Norman Region Economic Development Incentive Grants* — Enabling legislation from the state authorizes cities to make appropriations to aid and encourage the location and expansion of manufacturing and commercial enterprises based on a variety of criteria including size and type of project, job creation, growth potential, environmental impact and other considerations.

4. Private Sector

One local business owner constructed a 32,000-square-foot spec flex building at The Park Huntersville that now operates as a quasi-incubator. Among the building's multiple tenants are an attorney and two certified financial planners who are available to render limited discounted services to the building's other small businesses. The building's owner also provides business guidance on a pro bono basis to his tenants. As a private sector venture, there is no limitation on length of lease, but also no follow-up business advisory services for businesses seeking to expand beyond the incubation phase.

C. ACTION PLAN

The implementation strategy recognizes and acknowledges economic development efforts and programs currently under way, and is crafted to direct the Town's efforts to areas outside of the responsibilities of LNREDC and its companion organizations. For that reason, greater emphasis is put on action steps that the town can take on its direct behalf, which do not duplicate the efforts of others, but enhances them. The following Action Plan organizes the action steps into six topic areas most relevant to Huntersville's current needs, opportunities and constraints. **These categories include: [1] Management of Real Estate Assets, [2] Coordinate Economic Development Programs and Services, [3] Regulatory Environment, [4] Entrepreneurial Development, and [5] Downtown Revitalization**. The direction of the plan was shaped through the recognition of past efforts and current initiatives, expectations of civic and government leaders, current market conditions, identified opportunities, and projected future market influences. The following narrative highlights some of the key efforts the Town of Huntersville should undertake to position itself to maximize the effectiveness of existing resources in retaining jobs, growing existing businesses and attracting investment and development.

1. Management of Real Estate Assets

Huntersville enjoys substantial and diverse real estate assets targeted to employment supporting uses in various stages of development. These assets are identified and described below in the context of their correspondence to the Major Employment Areas identified in the 2030 Community Plan, their distinguishing characteristics, location within the Town's Economic Analysis Zones **(Chapter 4: Real Estate Market Analysis)**, and potential for business opportunities in Huntersville. real estate assets are presented in the sequence of their readiness to accommodate development, from near-term to long-term opportunities. See Figure 6-1 Economic Opportunity Areas.

a.) Near-Term Opportunity Areas (Years 1-2)

- ***The Park Huntersville/Gilead Center*** — Located in Zone 3 (see Figure 4-3), Huntersville's signature business park and home to a diverse array of tenants including retail, office, light industrial (e.g. Daetwyler, Forbo-Siegling, Keller, Joe Gibbs Racing, Microban), health care (Novant Health Huntersville Medical Center), and local government (Huntersville Police Dept.). The Park section is positioned to accommodate this broad range of users by virtue of its relatively large lots (2-22 acres) and open space buffers. There are twenty-three lots totaling 184 acres currently marketed for sale. Gilead Center is characterized by small lots of 1-acre average. There are eight lots totaling 8 acres currently marketed for sale. The Park infrastructure is fully developed and tenant ready.

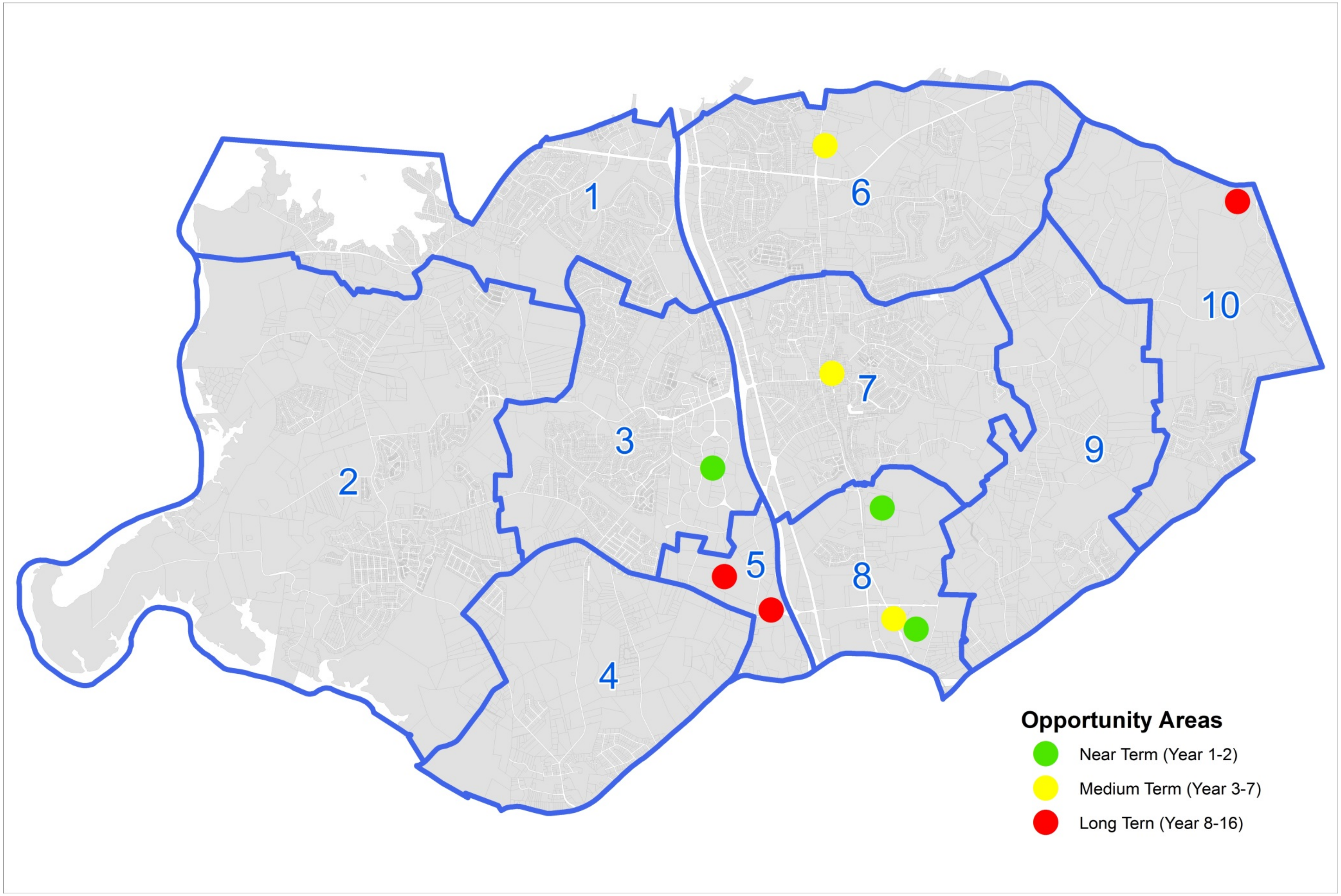
- ***Commerce Station*** — Commerce Station is one of two major commerce parks located in Zone 8, has two industrial tenants (ABB and Pactiv), and is planned for an additional 300 acres which are not currently under development. Commerce Station is a public industry joint venture development between the towns of Cornelius, Davidson and Huntersville. As owners of the land, the public industry partners are in a position to offer incentives, such as discounted consideration, to attract businesses.

- ***Bryton*** — 500-acre mixed-use development slated for 2,500 residential units, 1 million square feet of retail and 1 million square feet of flex/office, located in Zone 8. Some retail has een delivered, including a Walmart, and infrastructure is still under development. Zoning is a combination of Transit Oriented Development Residential (TOD-R), Highway Commercial (HC) and Special Purpose (SP). Bryton also includes a planned transit station stop, one of three proposed for Huntersville.

b.) Medium-Term Opportunity Areas (Years 3-7)

The Red Line Regional Rail (RLRR) Project (a.k.a "Red Line") is a planned commuter rail transit line to offer passenger service between Charlotte and Mooresville, along an existing 25-mile section of the Norfolk and Southern "O" Line. The Red Line would include three station stops in Huntersville: Hambright Station, Downtown Station and Sam Furr Station and is one of five transit lines included in the 2030 Transit System Corridor Plan, adopted by the Charlotte-Mecklenburg Metropolitan Transit Commission (MTC) in 2007. The current schedule for implementation of the Red Line is pending development of a system-wide plan to finance the entire transit system. Approval for use of the Norfolk & Southern rail line will also need to be obtained prior to the implementation of passenger rail service. If the project does indeed move forward, it will greatly enhance the attractiveness of the Town's three planned transit station areas to potential investors, and otherwise accelerate economic activity in these areas. Indeed, estimates regarding job creation associated with the RLRR Project suggest that the line would generate 23,000 new jobs in the North Corridor by 2035.

Figure 6-1: Economic Opportunity Areas



Source: RKG Associates, Inc, 2014

- ***Hambright Station*** – *(See Bryton)*

- ***Huntersville Station*** — Located around Huntersville's traditional downtown; this area has a Town Center Zoning designation which supports a diverse array of uses of relatively high density in a compact, pedestrian oriented environment. Planning for transportation improvements are underway, which could be funded in part from Tax Increment Financing (TIF, or synthetic TIF) as discussed in Section 4-C of this report. The case for downtown revitalization is strong, as the Town will accrue both tangible and intangible benefits through redevelopment: the development program projects 586 new jobs supported; increased property values will generate net new property tax revenues; a revitalized downtown will serve as the activity center for nearby neighborhoods and employment nodes; and, a revitalized downtown will create a source of pride for the Town. The redevelopment of the downtown should be a priority action item for the Town, with or without a transit station.

- ***Sam Furr Station*** — The greater area surrounding the proposed Sam Furr transit station comprises a significant amount of CB and SP zoned land, located east of the Norfolk Southern rail line. While the SP zoned area contains existing industrial uses, the CB zoned land is largely undeveloped with the exception of a large warehouse in the northeast quadrant of Old Statesville and Sam Furr Roads. If the RLRR project does not come into fruition, development of this area will likely be longer term.

- ***R06-07 and R03-09 (Mt. Holly/Huntersville Road West of I-77)*** **-** The two large CB zoned tracts to the south of The Park Huntersville and west of I-77 (referred to as R06-07 and R03-09 in Figure 4-6), represent medium term commercial development opportunities for Huntersville. The two areas comprise 666 acres.

c.) <u>Long-Term Opportunity Areas (Years 8-16)</u>

- ***R06-07 and R03-09 (Mt. Holly/Huntersville Road West of I-77)*** **-** The two large CB zoned tracts to the south of The Park Huntersville and west of I-77 (referred to as R06-07 and R03-09 in Figure 4-6), also represent long term commercial development opportunities for Huntersville.

- ***NC 73 Land Use & Economic Development Plan Area*** - In 2005, a small area and economic development plan was prepared for a 3½ mile stretch of NC 73 from Davidson-Concord Road to Poplar Tent, traversing the jurisdictions of Davidson, Huntersville and Cabarrus County. The plan anticipates the widening of NC 73 as recommended in the 2003 NC 73 Transportation and Land Use Corridor Study. The Plan provides for a Central Business District that straddles both Davidson and Huntersville, and allows for commercial building heights of 2 to 6 stories. The Huntersville portion of the Plan Area is estimated to equal 100 acres, and also contains a Research and Development District and a Neighborhood Center. Anticipated build-out is 20 to 30 years. In 2012, Huntersville updated its portion of the NC 73 LUEDC Plan. This plan modified the NC 73 Plan but reiterated the recommendations for a mixed-use land use pattern along NC 73, with adjoining office/flex and light industrial uses.

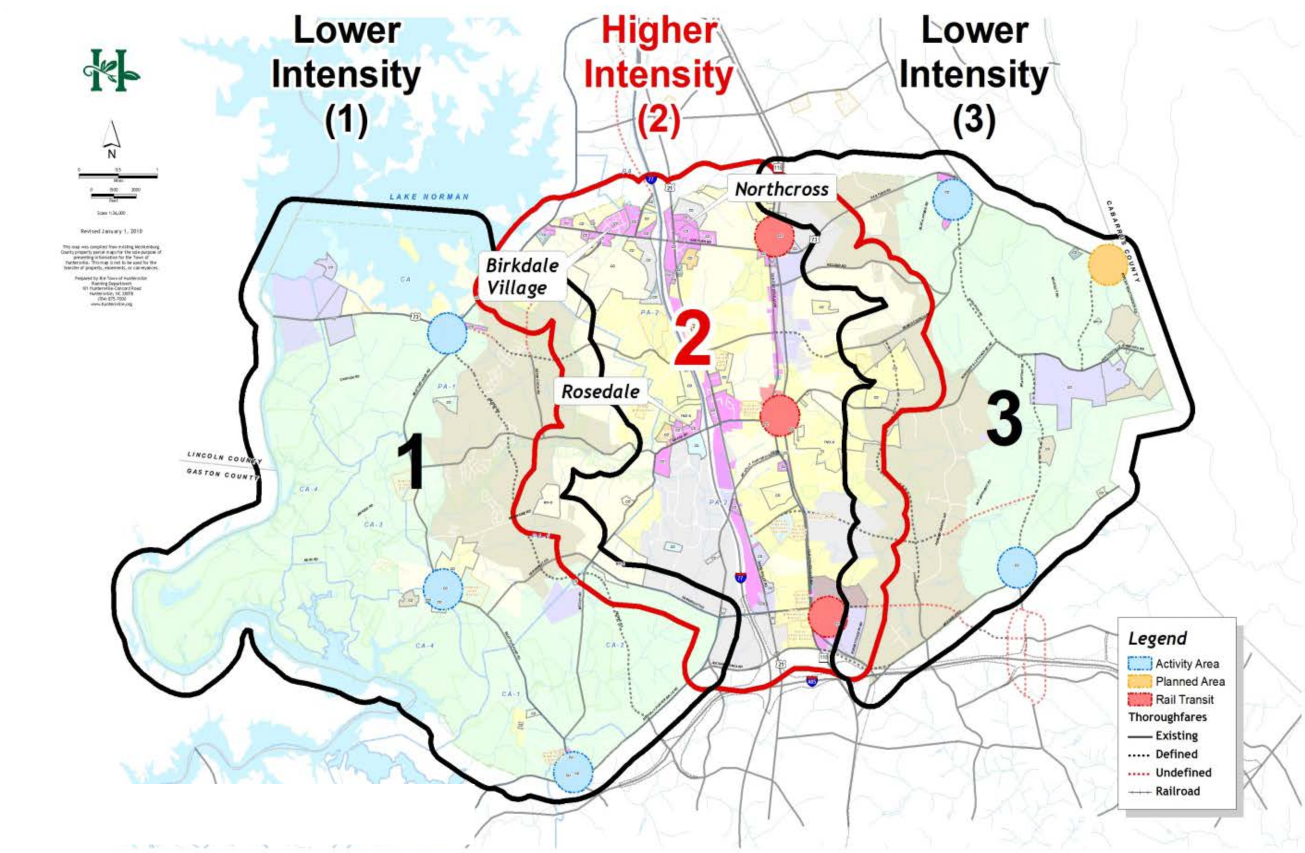
d.) <u>Conclusions and Recommendations</u>

All of Huntersville's CB zones are appropriately located in the higher density area situated in the I-77/NC-115 area of the Town, which is recommended for a "Higher Intensity" development pattern in the <u>2030 Community Plan</u> (Figure 6-2). Economic Analysis Zones encompassed in this development pattern include 1, 3, 5, 6, 7 and 8. Zone 10 is the exception in the "Lower Intensity" areas by virtue of the NC 73 Plan.

- ***Master/Small Area Planning*** — The Town may want to consider creating small area plans for commercially zoned districts where higher density development (and associated employment) may occur , as a means of maximizing its current inventory of non-residentially-zoned land, along with the resulting tax base for the Town. While there is sufficient acreage currently zoned for employment type land uses, area plans would provide the Town with a valuable tool for integrating these uses into areas which have previously been characterized by either a low-intensity or underdeveloped land use pattern.

- ***Preserve Non-Residentially Zoned Land*** **—** It is reasonable to assume that demand for residential development will continue to outpace non-residential development in the foreseeable future. As Huntersville approaches residential build-out, developers and landowners are likely to bring pressure to bear to rezone non-residential land to residential. This trend is well documented in other jurisdictions, and is one the Town should remain mindful of and resist when and if the occasion warrants. In order to attain an optimal balance of residential and non-residential development, the town should maintain its inventory of land which will support employment generating uses (i.e., office, industrial, etc.) in order to ensure its economic sustainability into the future.

Figure 6-2 Town of Huntersville Future Land Use Plan



Source: Huntersville 2030 Community Plan

2. Coordinate Economic Development Programs and Support Services

Huntersville's economic development initiatives will be most effective through the enhancement of the ongoing efforts of the LNREDC and other advocacy organizations. Although the subsequent action items in this section fall outside of the responsibilities of the LNREDC, the Town can take steps to coordinate more effectively with its economic development partners.

- *Establish a point person for economic development:* — The town should assign an individual as a de facto economic development director, who can interact with LNREDC, CPCC, and other economic development organizations. This individual will administer activities associated with the recommendations contained herein, and help ensure that public policy is consistent with Huntersville's economic development objectives.

- *Connect to and coordinate with the network of available business resources:* The economic development point person should become familiar with all of the local, state, and federal assistance programs and funding mechanisms that support economic development, including deadlines for submitting grant applications, eligibility requirements for various programs, etc.

- *Advocate for a streamlined development review process* — It is RKG Associates experience that seemingly successful business recruitment efforts have ultimately failed when the business prospect encountered cumbersome and confusing development approvals processes. One of the most effective steps the Huntersville can take to support the business recruitment and retention activities of the LNREDC is to ensure that their efforts are not undermined by the inadvertent actions of other public agencies. How this can be done is described in more detail below.

3. Regulatory Environment

In Huntersville, the development approval process is a coordinated effort involving the Town, Mecklenburg County and NCDOT. The process consists of two steps. The first step is review and approval of land development plans. Since 2012 the town and county have utilized an "Electronic Permit Management (EPM)" system, to process all land development proposals. Under this system, plans are submitted electronically to one site and then routed to the various Town and County review agencies. This system allows for the efficient review and approval of land development plans and reduces printing and copying costs. Once the land development plan approval process has been completed, the second step is commercial building plan review. As with the land development process, some commercial building permits are processed electronically through the County EPM system. Several commercial building permit options are available to applicants (in addition to the standard protocol for the review and approval of building plans) to expedite the permitting process for projects meeting certain criteria. One such option is *Express Plan Review* (also available for land development plans), which accelerates the normal plan review service offered by the County. Under the *Express Plan Review* option, applicants pay an hourly permit fee as an alternate to the standard permit fee and approval timeframe. The *Express Plan Review* option has proven to be very popular with the development community, allowing for a compression of the normal review schedule for those applicants who are willing to commit the necessary resources to advance their project more rapidly. A second expedited plan review alternative offered by the county is the *Mega Projects* review option. This option (also based on an hourly fee) allows for the simultaneous multi-agency plan review and approval of very large commercial projects (typically those exceeding 100,000 square feet). This program was successfully utilized for the 200,000 square foot ABB project approved by the town and county in 2011.

Since being instituted, the EPM land expedited plan review systems have resulted in improvements in the efficiency of the land development and building construction plan review and construction permitting process. Consistent with its goal to foster a business friendly environment, the Town continues to work closely with the County to look for ways to refine this process and to insure that it is fostering a regulatory environment conducive to facilitating commercial and economic development in Huntersville. The Town should continue its efforts in this regard, to insure that the development review and permitting process is not a hindrance to economic development and also to look for areas where the process can be made more efficient.

Despite recent improvements in the development review and approval process at both the county and town levels, there appears to be a lack of understanding of these improvements be some members of the development community. One point of emphasis based on RKG's review and interviews with key business, real estate and industry leaders, is that the Town should do more in its efforts to streamline the entitlement and plan review process. While some of those interviewed for this study recognized that improvements had been made, others were generally unaware of any substantive changes. This finding may indicate the need for a more comprehensive marketing or information campaign to inform the real estate development community of the Town's new policies and procedures reviewing development plans.

Many communities have successfully adopted streamlined development review processes for high impact, targeted industries that are relocating or expanding in their jurisdictions. These communities have taken extra steps to help ensure businesses have a first-rate experience when going through the development review/permitting process. Those municipalities have adopted cross agency streamlined permitting ordinances or resolutions, often have an online permit tracking system, and have designated a staff representative as a "concierge" to businesses who are going through the permitting process.

Given Huntersville's recent efforts to address its plan review and approval process, there appears to be a lack of recognition by some members of the development community. Real or perceived, this issue is starting to impact certain people's willingness to develop or do business in Huntersville. RKG believes the Town should take steps to address these perceptions through future outreach efforts.

a.) Marketing to Development Community
In order to address the concerns/perceptions that the development review and approval process is either too lengthy or difficult, the Town should make an intentional effort to inform the development community of the changes that have been made or will be made in the future. That should be accomplished through concerted outreach to real estate developers, real estate brokers, all applicants seeking plan review, architects & engineering firms and other people engaged in the land development process. If not addressed, this has the potential to perpetuate negative perceptions of the Town and could eventually cause certain development interests to pass over Huntersville for other communities.

b.) Identify Priority Economic Development Zones
The objective of the streamlined development approval process is to facilitate the Town's economic development plan, and otherwise improve the prospects for business attraction and expansion by removing unnecessary regulatory impediments. With this in mind, the streamlined approvals process should be limited to these circumstances, which can be done by restricting the process to areas within commercially zoned areas corresponding to economic development zones identified in this plan.

c.) Development Concierge Service
A common denominator in most successful development streamlining programs is a manager or management team equivalent to a "development concierge," one or two individuals focused on providing property owners and investors technical and process-oriented assistance when going through the Town's development process. Whether it is a rezoning or variance request, the concierge program is intended to assist applicants in effectively and efficiently finding a

resolution. Two individuals should be assigned as development concierges, one to serve as a principal point of contact and one to serve as a backup. These professionals need to have experience and familiarity with the Huntersville process, and could come from existing staff.

4. Entrepreneurial Development

a.) <u>Virtual Incubator Program</u>

In 1998, a 20-year study focusing on the cycles of job creation and retention was concluded in Michigan by John E. Jackson, a professor of political science at the University of Michigan ("Economic Development in Michigan: Choosing an Economic Future" 1988). During that period, approximately 50,000 "homegrown" companies were formed, compared to 140 "transplant" firms that also arrived during that timeframe. Both the small businesses and the transplants initially created about 150,000 jobs. By 1998, while only 17,000 of the new businesses remained, those survivors accounted for 190,000 jobs. Only 62 of the 140 transplanted non-native companies grew lasting Michigan roots, with total employment among them declining to about 61,000 by 1998.

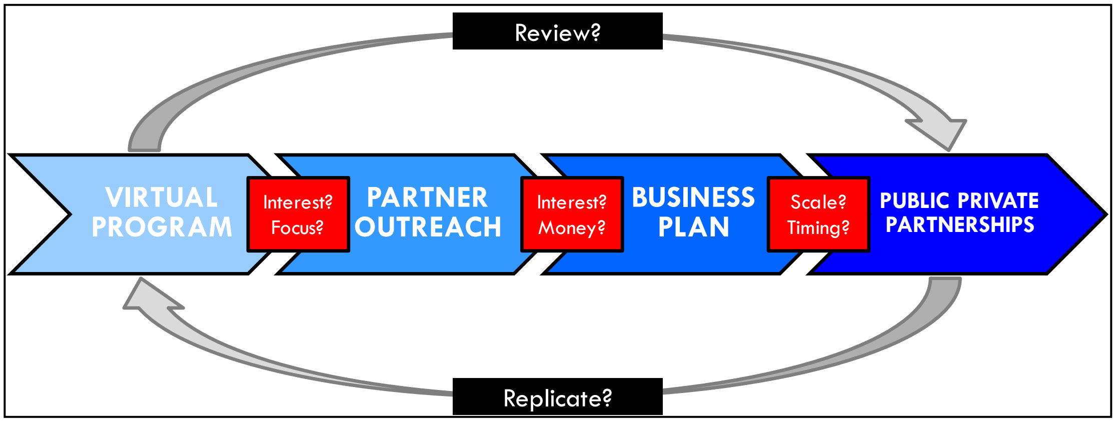
The findings of this and numerous similar studies have drawn a recurring conclusion: successful homegrown businesses are the most likely to maintain their roots in a community. While transplanted firms remain important to local, regional, and state economies, a specific focus should be spurring innovation and nurturing the growth of new, homegrown enterprises.

The informal, private sector sponsored incubators managed by principals of Poly-Tech and Daetwyler demonstrate demand for entrepreneurial assistance. Huntersville has potential to develop a dynamic entrepreneurial program that expands upon existing County resources such as the Small Business Development Center at Central Piedmont Community College. RKG Associates understands that the development of a business incubator has been the subject of discussion among the Town Board, and the former police station in downtown Huntersville could potentially serve as the physical space. This creates the potential for a process where Huntersville becomes a connection point by virtue of its physical space, bringing together investors (funding), mentors (business planning), and entrepreneurs (products and ideas) in creating opportunities for companies to grow and prosper in Huntersville.

As a potential feeder network to the UNC-Charlotte small business incubator, the Town could provide a "virtual incubator" program to assist small entrepreneurs that are not yet ready to occupy and rent physical space in a traditional business incubator. This would include entrepreneurs currently operating out of their homes or garages, which is where many small businesses start. The concept of the "virtual incubator" focuses more on the support services and expertise of valued advisors and service providers and less on physical business location.

The entrepreneurial program should be modeled after the National Business Incubation Association (NBIA) best practices approach and vetted through the entrepreneurial advisory panel review process outlined below (Figure 6-3). The local entrepreneurial advisory panel would consist of key economic development stakeholders, business leaders and professional service providers with interest in developing Huntersville's entrepreneurial capacity.

Figure 6-3: Iterative Process to Developing Incubators



Common elements of this approach would include:

- ***Initiate a virtual entrepreneurial incubator program*** – The Consultant recommends the Town, preferably in collaboration with LNREDC and CPCC, initiate this effort through a virtual approach, not limiting the program to a specific industry, service or even a physical location. Initial interest will help stakeholders determine a more definitive business approach before any substantial investment of money. The virtual aspect of the program provides the supportive business services (e.g., business planning, accounting, mailing services, etc.) and business advisory support (e.g., mentorship) without the overhead cost of a physical location or building.

- ***Partner outreach effort*** – Concurrently to the virtual program launch, the Town should initiate a comprehensive outreach effort to potential partners (i.e. CPCC, potential investors…) to gauge interest and investment requirements. This effort is a critical component of this effort, and likely will define the potential for program expansion. Seeking investors, partners, and funding sources simultaneously with identifying potential users will aid in the business planning process. CPCC's Small Business Center could be a key ally in the effort to set up a functional program for nurturing entrepreneurship.

- ***Development of a business plan*** – Once the business incubator consortium is able to identify interest patterns from prospect, investors, and mentors, the staff will be better positioned to create a viable business plan. The business planning effort should solicit input from investor groups that express interest during the outreach phase.

- ***Establish public-private partnership to operate the program*** – While Huntersville should lead the creation of an entrepreneurial program, the time and resources necessary to run the program likely will require a partnership of several entities (public and/or private). It is recommended that a joint venture/PPP be created to spread the responsibility and the risk.

- ***Secure physical space*** – If the process reaches this phase, the business incubator consortium should identify the appropriate space. It is important to note that the cheapest space is not always the most advantageous. Amenities such as shared reception, shared cost centers (i.e. phone, internet, and publishing, marketing…) also have value.

- ***Replicate efforts as needed*** – Given the size and growth of Huntersville (from both a population and physical standpoint) a single facility may not accommodate the potential demand/opportunity for small business development. Additional facilities will be necessary if the initial concept focuses on a specific industry or service.

b.) Mentorship Program

A business development mentorship program pairs successful entrepreneurs with individuals with a business concept, but limited resources or understanding of starting, operating, and growing a business. In general, a mentorship program pairs an existing industry leader with a person interested in opening a business in that industry. These programs provide local entrepreneur's access to someone who has "been there" within their industry, adding confidence in the advice and direction provided. Having a local mentor also provides stability, as the relationship created can carry forward after the program has served its purpose. The participant typically signs an agreement to operate for a certain period within the boundaries of the program (the Town in this case) or pays a mentorship fee. The business incubator consortium should recruit Huntersville business people with the appropriate backgrounds to become mentors. There are those who currently serve in this capacity on an informal basis. It is recommended that the consortium utilize a training program for its mentors to ensure consistent and successful efforts (i.e. the Mentor-Protégé Program through the Small Business Administration).

5. Downtown Revitalization

Huntersville is at a key juncture in the redevelopment of its downtown, and is in a position to capitalize on the momentum generated from the recent construction of the Town Center building and adjacent municipal garage. If the delivery of the RLRR Project comes to fruition and a commuter rail station locates in the downtown, successful redevelopment is almost assured. While the RLRR Project could certainly be a catalyst for downtown redevelopment, Town efforts should proceed independently for the following reasons:

- Momentum has been created through the public and private investment in the Town Center Project;
- Several plans have prioritized redevelopment of the downtown (i.e., 2030 Community Plan, Downtown Master Plan, East Huntersville Development Plan), including the town-owned Anchor Mill site.
- The current concept calls for a downtown with people living, working and playing within a reasonable walking distance;
- A redeveloped downtown will create employment supporting space on otherwise vacant and underutilized land, helping to support economic development objectives while relieving development pressure on greenfield properties;
- The downtown is in an optimum location to serve as the main activity center, potentially offering shopping, dining and entertainment opportunities for the residential neighborhoods just to the east, within walking distance, and the employment cluster to the west, within a short drive;
- Public investment in infrastructure will leverage private investment through redevelopment that will generate net new tax revenues;
- A revitalized downtown will create a sense of place and renewed pride in Huntersville. Downtowns are the traditional focal point in most communities, and are a source of identity to most residents.

The following steps are recommended to implement Huntersville's downtown revitalization:

a.) <u>*Organization*</u>
Create a steering committee dedicated solely to the task of downtown revitalization, consisting of both public and private stakeholders. The organization could include: public officials, downtown business owners, downtown property owners, bank chairpersons, citizens groups and individual citizens, non-profit organizations and others, as appropriate.

b.) <u>*Public Engagement*</u>
It is important to enlist the community early on. At the outset of the effort, the steering committee should hold a public meeting to describe the group's intentions and solicit support. The first meeting also provides the opportunity to recruit community participants.

c.) <u>*Planning*</u>
The planning process should focus on the following steps:

- Inventory and Assessment of previous planning efforts;
- Analysis of current demographic and real estate market trends;
- Development of a consensus plan which incorporates previous planning efforts;
- Preparation of a strategic plan to implement goals and objectives for downtown revitalization;
- Identification and mobilization of resources to implement downtown revitalization;
- Evaluation, and modification of strategic revitalization process as necessary.

The planning process should build on the development concepts already created for the downtown incorporating infrastructure improvements, landscaping, and urban design with a flexible, mixed use, transit oriented development program. The plan should also incorporate intentional community engagement, support and collaboration.

c.) <u>*Public Improvements*</u>
Two of the Town's planned capital improvement projects will directly contribute to the viability of the revitalization of Huntersville's downtown. These projects include a major upgrade to the intersection of US 21 (Statesville Road) and Gilead Road, and Main Street upgrades that will significantly enhance future traffic movements and revitalization of the downtown. Implementation of these system improvements will be greatly beneficial to downtown and lead to the enhancement of the town's tax base. A major initiative of the downtown revitalization process will be to prioritize these two transportation improvement projects. In addition, the Town is moving ahead with the design and construction of a new park (to be known as "Veterans Park") between Main Street and Maxwell Avenue just north of Huntersville-Concord Road. This park will feature a 6,000 square foot, multi-purpose building, parking, lawn area and children's playground and monuments recognizing the various branches of the armed services. This park will play a valuable role in reactivating the downtown, providing an important attraction and amenity to support future redevelopment.

d.) <u>*Implementation*</u>
A larger redevelopment effort involving multiple developers at the same time ensures greater investment safety and security than small, sequential, one-at-a-time projects. The Town should lead with the development of the largest tracts of public property, possibly aggregating more property for resale through joint purchase and sale agreements, direct development by adjoining property owners, outright purchase, and/or joint development agreements.

D. IMPLEMENTATION MATRIX

The following implementation matrix presents the full range of objectives and corresponding action items for consideration as the Town seeks to implement the Plan. The time line and implementation partners for each action item identified in the matrix reflect an assessment of the level of effort required for each item by RKG. For the purposes of this plan, the Near Term is considered 1 to 2 years, the Medium Term is considered 3 to 7 years, and the long-term is considered 8 to 16 years, which would bring Plan implementation to the year 2030. The final plan adopted established by the Town should retain the flexibility to respond to current market conditions and fiscal realities, subject to refinement based on the available strategic and capital resources available to this effort. The final timing and focus for this plan will be best determined by the Town in cooperation with various public and private partners involved in the implementation process.

HUNTERSVILLE, NORTH CAROLINA COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIC PLAN Implementation Matrix		Implementation Lead	Implementation Timing		
			1-2 Yrs	3-7 Yrs	8-16 Yrs
MANAGEMENT OF REAL ESTATE ASSETS					
Near Term Opportunity Areas					
	The Park Huntersville/Gilead Center	TH, ED, PD, D, O			
	Commerce Station	TH, ED, PD, D, O			
	Bryton Mixed Use Development	TH, ED, PD, D, O			
Medium Term Opportunity Areas					
	Hambright Station (Bryton)	TH, ED, PD, D, O			
	Huntersville Station	TH, ED, PD, D, O			
	Sam Furr Station	TH, ED, PD, D, O			
Long Term Opportunity Areas					
	R06-07 (CB Zoned)	TH, ED, PD, D, O			
	R03-09 (CB Zoned)	TH, ED, PD, D, O			
	NC 73 Land Use & Economic Development Plan Area (HC Zoned)	TH, ED, PD, D, O			
Objective #1: Ensure economic sustainability of Commercial District opportunity areas					
Action 1:	Master plan long term opportunity areas	TH, ED, PD, D, O			
Action 2:	Discourage downzoning of Commercial Districts to residential	TH, ED, PD, D, O			
COORDINATION OF ECONOMIC DEVELOPMENT PROGRAMS AND SUPPORT SERVICES					
Objective #1: Establish a point person for economic development					
Action 1:	Assign a current staff member as economic development liaison to LNREDC	TM			
Action 2:	Administer activities stipulated in the SEDP	TH, ED, PD			
Action 3:	Advocate for economic development supportive public policy	TH, ED, PD			
Objective #2: Connect to and coordinate with the network of available business resources					
Action 1:	Familiarize with state and federal grant particulars, including eligibility requirements, dollar thresholds, and grant application deslines	TH, ED, PD			
Action 2:	Famiiliarize with other local, state and federal funding mechanisms	TH, ED, PD			
Objective #3: Remove regulatory impediments to econmic development					
Action 1:	Advocate for streamlined development review process in the Commercial Districts	TM, TH, PD			
REGULATORY ENVIRONMENT					
Objective #1: Facilitate employment supportive development					
Action 1:	Priority economic development zones should be identified within the Commercial Districts so that additional resources are focused exclusively on business attraction and expansion activities.	TH, ED, PD			
Action 2:	Assign individuals on staff to focus on providing property owners and investors technical and process-oriented assistance when going through the Town's development process.	TH, PD			

HUNTERSVILLE, NORTH CAROLINA COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGIC PLAN, Cont. Implementation Matrix		Implementation Lead	Implementation Timing 1-2 Yrs	3-7 Yrs	8-16 Yrs
ENTREPRENEURIAL DEVELOPMENT					
Objective #1: Create a business incubator					
Action 1:	Initiate a virtual entrepreneurial program, preferably in collaboration with LNREDC and CPCC	TH, ED, CP	■		
Action 2:	Initiate a comprehensive outreach effort to potential partners to gauge interest and investment requirements.	TH, ED, CP	■		
Action 3:	Develop a business plan that solicits input from investor groups that express interest during the outreach phase.	TH, ED, CP	■		
Action 4:	Establish public-private partnership to operate the program. It is recommended that a joint venture/PPP be created to spread the responsibility and the risk.	TH, ED, CP, I	■		
Action 5:	Secure physical space	TH, TM	■		
Action 6:	Replicate efforts as needed	TH		■	
Objective #2: Establish a buisness mentorship program					
Action 1:	Recruit buiseness leaders interested in participating in the mentorship program. There is an existing base of individuals currently involved in business mentorships in varying degrees	TH, ED, CP, I	■		
Action 2:	Enter into a formal agreement with mentors for a specified period of time	TH, ED, CP, I	■		
Action 3:	Provide training for mentors to ensure consistent and successful efforts	TH, ED, CP, I	■		
DOWNTOWN REVITALIZATION					
Objective #1: Establish the revitalization of the downtown as a top economic development priority for Huntersville					
Action 1:	Create a steering committee dedicated solely to the task of downtown revitalization, consisting of both public and private stakeholders.	TH, PD, ED, D, N, O, R	■		
Action 2:	Engage the community through public meetings and recruitment as active participants in the process	TH, PD, ED, D, N, O, R	■		
Action 3:	Develop a strategic implementation plan for downtown revitalization that incorporates community engagement, support and collaboration	TH, PD, ED, D, N, O, R		■	
Objective #2: Implementation					
Action 1:	Proceed with the major upgrade at the intersection of US 21 (Statesville Road) and Gilead Road, and Main Street upgrades that are projects contained in the Town's Capital Improvements Plan.	TM, PD		■	
Action 2:	Package properties available for development to potential investors. Publicly owned properties can go out for competitive developer solicitation.	TH, TM, PD, ED		■	

LEGEND

Implementation Leaders

Public:
TH - Town of Huntersville Economic Development Liaison
TM - Town Manager
PD - Planning Department
ED - Lake Norman Regional Economic Development Corporation
CP - Central Piedmont Community College

Private
C - Consultant
D - Development Community
F - Financial Institutions
I - Industry Leaders
N - Neighborhood Residents
O - Property Owners
R - Realtors/Brokers

Partners:
CC - Charlotte Chamber
CV - Visit Lake Norman
CR - Charlotte Regional Partnership
BL - Business Leaders
CL - Community at Large