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Economic Development Report

January/February/March 2009

LNREDC Annual Meeting

LNREDC held its annual meeting and report to investors on February 12. Approximately 70 community leaders, investors and LNREDC board members attended the meeting to hear Barry Matherly discuss the formula used in Lincoln County to build speculative industrial buildings.



At the LNREDC annual meeting, Alan Lewis, Development Partner with the Keith Corporation, discussed how his company approached the concept of speculative industrial buildings and the importance of having available buildings for prospects to consider. Lewis has developed more than five speculative industrial buildings in Lincoln County's industrial park.

Lake Norman Regional Economic Development Corporation (LNREDC)

Board of Directors

Craig Norfolk, Chairman
ElectriCities

John Woods, Vice-Chairman
Town of Davidson

Bob Terry, Secretary-Treasurer
Tinsley & Terry, CPAs, PA

Leamon Brice	Town of Davidson
Mike Dawson	Ingersoll-Rand
Jeff Edge	Charlotte Chamber of Commerce
Greg Ferguson	Town of Huntersville
David Gilroy	Town of Cornelius
Mike Griffin	Griffin Brothers
John Hettwer	Lake Norman Chamber President
Tim Holder	EnergyUnited
Sarah McAulay	Town of Huntersville
Michael Phillips	PSI Control Solutions
Bill Powell	Windstream
Anthony Roberts	Town of Cornelius

Ex-Officio Members

Sally Ashworth	Visit Lake Norman
Bill Russell	Lake Norman Chamber of Commerce

LNREDC Staff

Jerry Broadway	Executive Director
Charity Pitman	Assistant Director

Upcoming LNREDC Board Meeting Dates:

April 16 - Metrolina Greenhouses in Huntersville (Tour after meeting)
 May 21 (location TBA)

Spec Building Progress

Following the February LNREDC annual meeting, the North Mecklenburg Industrial Park (NMIP) Management Team decided to invite developer proposals to construct a speculative building at the North Mecklenburg Industrial Park. The model being used for the project is based on industrial park concepts used successfully in Lincoln County and other areas. By constructing a speculative building, Lake Norman region will, for the first time in its history, have new existing industrial spec space sized to meet the prospect demand for existing industrial buildings.

A site in the Town of Cornelius is being considered for a second speculative industrial building in the Lake Norman region. LNREDC recently initiated discussions with town staff and board members and recommended a site and potential collaborators for the project.

North Mecklenburg Industrial Park Infrastructure

As plans begin to construct a speculative building in NMIP, infrastructure improvements continue in the park as well. Construction on a new sewer line is scheduled to start May 2009. The Verhoeff Drive project to construct a bridge for greater access to and from the industrial park also continues. Town of Huntersville management continues work to acquire the final right-of-way needed for the project. Fill material for the overpass is being stockpiled on site.



Making Existing Industries Connections at Trade Show

Based on an existing industry visit, a local company invited LNREDC staff to participate free of charge in the Advanced Manufacturing Exposition & Conference trade show in Charlotte on March 11. LNREDC staff visited three Lake Norman region existing industries with booths at the trade show as well as making contacts with other manufacturing companies attending from across the country.

LNREDC Business Retention & Expansion (BRE) Program

Sanford Holshouser, the consultant assisting with design of a BRE program for the Lake Norman region, presented a BRE program to LNREDC board members at the January 15, 2009 board meeting. Since then, LNREDC staff created an existing industry resource directory and visited ten local businesses. Town managers and mayors are invited to participate in visits with existing businesses. Among other items, LNREDC and the towns assisted businesses with resources to address funding, town ordinances, workforce, police patrolling, property, training, and legislative needs through recent visits. LNREDC facilitated three major follow-up meetings in February and March to assist with significant ongoing existing industry projects.

In addition to visiting ten local businesses, LNREDC staff also facilitated meetings with seven resource groups between January 23 and March 3. LNREDC staff identified these organizations as possible collaborators with industries to provide additional assistance and asked for their partnerships to address any business needs in the Cornelius-Davidson-Huntersville area. LNREDC will continue reaching out to business partners as needed to provide as many resources as possible.

LNREDC continues scheduling board meetings at existing business in the region to help everyone become more knowledgeable about our community's business needs and successes. Town board members are also invited to tour industries following LNREDC board meetings that include tours.



LNREDC Website Traffic/Properties

The Lake Norman Regional Economic Development website, www.lakenormanregion.com, continues to attract new and returning visitors. During the January 1- March 31, 2009 period, the LNREDC website drew 1,578 visits (versus 1,360 visits the previous quarter). During the January-March timeframe, 79.72 percent of visitors were new with 20.28 percent returning visitors. Visitors' average time on the site was two minutes, 28 seconds. Visitors from nine countries/territories other than the United States visited the website. Over the last quarter, 20.28 percent of website visitors logged on to the LNREDC

website two or more times. Seventy-eight percent of visitors used the Internet Explorer browser to access the site with another 15.21 percent accessing the site using Firefox. One of the top referring sites was Huntersville.org.

LNREDC met several developers, including Norcom Properties, Antiquities and Childress Klein to discuss property updates, website listing opportunities and other marketing options. The developers and LNREDC discussed new ways to partner, including marketing concepts and media opportunities. LNREDC also added new properties to the website, including the Stowe Building in Davidson and Birkdale Village in Huntersville.

LNREDC Investor Relations

Town Support

LNREDC staff continue meeting regularly with town managers from all three towns to provide updates and present opportunities. During the last quarter, meetings were held with Anthony Roberts, Greg Ferguson and Leamon Brice as well as Davidson Downtown Development regarding existing industry follow-up items, speculative building proposals and marketing ideas. Special thanks to town management for participating in LNREDC existing business visits.

Over the last quarter, LNREDC staff identified and researched three potential speculative building properties in Cornelius and is considering one site for construction of a speculative industrial building.



New Investors

Special thanks to Aquesta Bank, Boatsman/Gilmore & Associates, Developers Diversified Realty, Fifth Third Bank, and Waste Management as LNREDC's new investors over the last year. LNREDC applauds your efforts to help develop our community's first speculative industrial building space to attract new jobs and your efforts to advocate for existing businesses through LNREDC's economic development activities. Through your funding, you're making valuable collaborations possible to make our community truly competitive in the marketplace.

Funding Plans – Next Steps

In 2004, the LNREDC conducted its first professional fundraising campaign to increase awareness about the LNREDC and to raise private funds to assist with operating the organization. The goal is to have a 50/50 ratio of private to public funding. The campaign emphasized the importance of having private companies make investments in the efforts of the EDC to attract new capital investment and to create

new employment opportunities for the residents of the lake Norman region. Because the LNREDC's activities result in measurable return on investment, many companies made pledges to invest in the organization for five years.

The LNREDC is considering how to address its funding requirements for the next five years. With private sector funding decreasing and public sector funding tightening, the LNREDC is at a crossroads. Decisions must be made on how to increase funding in order to enable the LNREDC to market the Lake Norman region. With the possible construction of two new speculative industrial buildings in the near future, it is critical that funds are available to market these facilities to expanding companies. And with new office developments just over the horizon at Harbour Place in Davidson, Augustalee in Cornelius, and Bryton in Huntersville, the Lake Norman region will be positioned to compete more effectively for new industrial and office projects. But without funds to market the region, these new assets will not get the exposure needed.

LNREDC staff and board members are considering whether to engage the services of a professional fundraising consultant to conduct a new private sector fundraising campaign. Most regional economic development organizations that depend on private sector funding to help with the cost of operating the LNREDC use professional consultants to assist with this important undertaking. The LNREDC board will be considering this significant issue in upcoming meetings.

Prospects

Lake Norman Regional EDC responded to 19 new inquiries and worked with six prospects over the past three months. In addition to industry prospect requests, LNREDC staff worked closely with existing industries to address needs, especially in relation to the economy and sustaining existing jobs.

Other Activities

LNREDC staff also participated in the following:

- Prospective Investor Meeting** January 6
- Lake Norman Chamber of Commerce Power Luncheon** January 8 & March 12 & March 27 Friday Focus
- Developer Meetings** January 14 & 23, February 9, March 17 & 27
- Existing Industry Resource Meetings** January 14, 23 & 30, February 9, 16 & 18, March 3 & 4
- Cornelius Town Board Meetings** January 20 & February 2
- Davidson Town Board Retreat** January 21 & Board Meeting February 24
- Leadership Lake Norman** January 22, February 26 & March 26
- Lake Norman Chamber Board of Directors Meetings** January 26, February 23 & March 23
- Davidson Comprehensive Planning Meeting** January 26
- Existing Industry Follow-Up Sessions** January 27, February 3/10/19, March 18/20/30
- Davidson Planning Meeting** February 10 & March 10 presentation
- Property Owner Meetings** February 18 & March 25
- Entrepreneur Meeting (possible existing industry collaboration)** February 19 & March 24
- Prospect Visits** February 24, March 2, 3 & 25
- Huntersville Town Board Meetings** March 2 & 16 & board retreat January 14
- NCEDA Midwinter Conference** March 5-6
- Charlotte Chamber of Commerce Breakfast** March 18
- Visit Lake Norman Board Meeting** March 23
- CRP Meeting** March 31



Thank you to our LNREDC investors:

Aquesta Bank
AT&T
BB&T
Boatsman, Gillmore &
Associates
Duke Energy
Developers Diversified
Realty
Electricities
EnergyUnited
Fifth Third Bank

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Piedmont Natural Gas
Prairie Packaging
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LAKE NORMAN REGIONAL ECONOMIC DEVELOPMENT CORPORATION

THE PARK, HUNTERSVILLE

13801 REESE BLVD. WEST, SUITE 200-A · HUNTERSVILLE, NC 28078

PHONE: 704-992-2300 · FAX: 704-992-2233

www.lakenormanregion.com