

# ***What We Share: Successful Collaborations***

*Three Local Governments Partner to Create  
Economic Development Presence & Balance Tax Base*

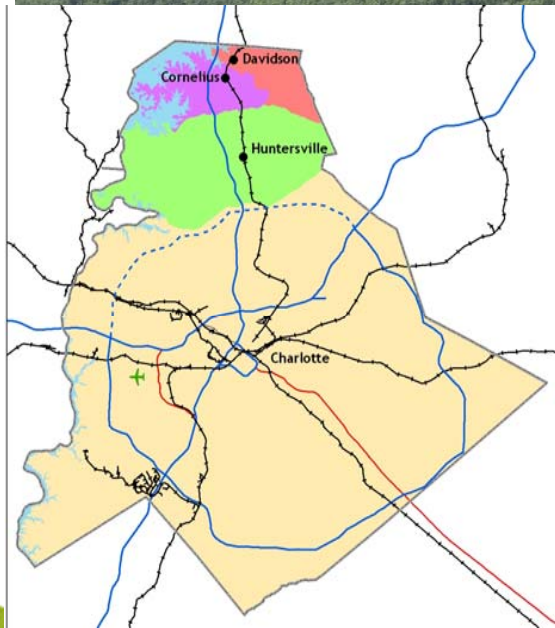
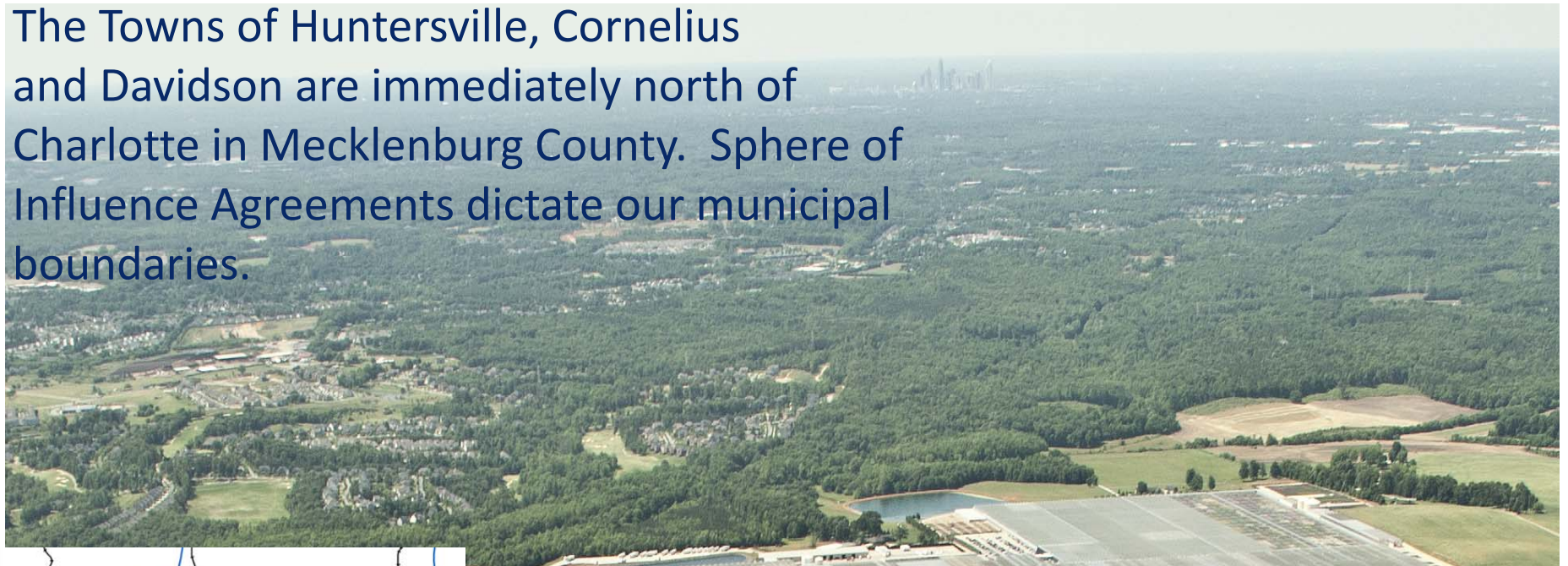
**Bobby Williams**

Assistant to the Manager

Town of Huntersville



The Towns of Huntersville, Cornelius and Davidson are immediately north of Charlotte in Mecklenburg County. Sphere of Influence Agreements dictate our municipal boundaries.



## Rapid Population Growth = Growing Residential Tax Burden

<i>Source: US Census</i>	1990	2000	2010	2013
Huntersville	3,014	24,960	46,773	50,458
Cornelius	2,581	11,969	24,866	26,898
Davidson	4,046	7,139	10,944	11,750
North Mecklenburg	9,651	44,068	82,583	89,106

### Our Own Y2K Dilemma...

- The demand for housing in North Mecklenburg is escalating
- For instance, Huntersville's town limits grew from 2.76 square miles in 1990 to 37.35 square miles in 2000 (just over 40 square miles today)
- Towns have a heavy and increasing dependence on residential tax base
- Research and experience suggest that residential units – on average – do not pay for themselves
- Increasing dependence on residential tax base will lead to increasing the property tax and/or searching for new revenue sources



# Cost of Service – Development Impact

- The following trends are assumed and expected to continue:
  - Households in North Mecklenburg will triple over next 30 years
  - Households on average cost  $\geq$  \$1.15 for service for every \$1 produced in taxes

## Compounding Problems...

- For purposes of illustration, assume the average property tax (county and town combined) is \$2,000 annually per household
- Assume 500 new homes annually
- Using the \$0.15 differential, it would be \$2,133 per year to provide services, an annual shortfall of \$133.

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

# Solution: Diversify the Tax Base

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

Source: UNCC Urban Institute

# North Mecklenburg County Study

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

# Lake Norman Regional EDC

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

Funded by three towns on per capita basis (based on population figures from the State)

## LAKE NORMAN REGION

N O R T H C A R O L I N A

### Mission

To develop and implement an economic development strategy for the towns of Cornelius, Davidson, Huntersville and the Lake Norman region that results in:

- An expanded tax base
- Improved quality of life for the region's residents through the creation of new, highly skilled jobs

# Inter-local Agreement

- Town of Huntersville purchased a 126-acre former nursing home site known as Brookwood in February of 2005 (land previously rezoned to Corporate Business) to redevelop for economic development purposes.
- An Inter-local Agreement signed by three towns and Mecklenburg County (who contributed \$2.3M) in March of 2005. Costs and revenues shared on per capita basis (60/25/15 split). Has a 40-year term.
- Important to Note – Brookwood property would have likely become 1,000+ new homes





# Park Development



# Prairie Packaging

- 1<sup>st</sup> tenant in Park (June 2005)



# ABB

- 2<sup>nd</sup> tenant in Park (Sept 2010)





# Prairie Packaging Ribbon Cutting



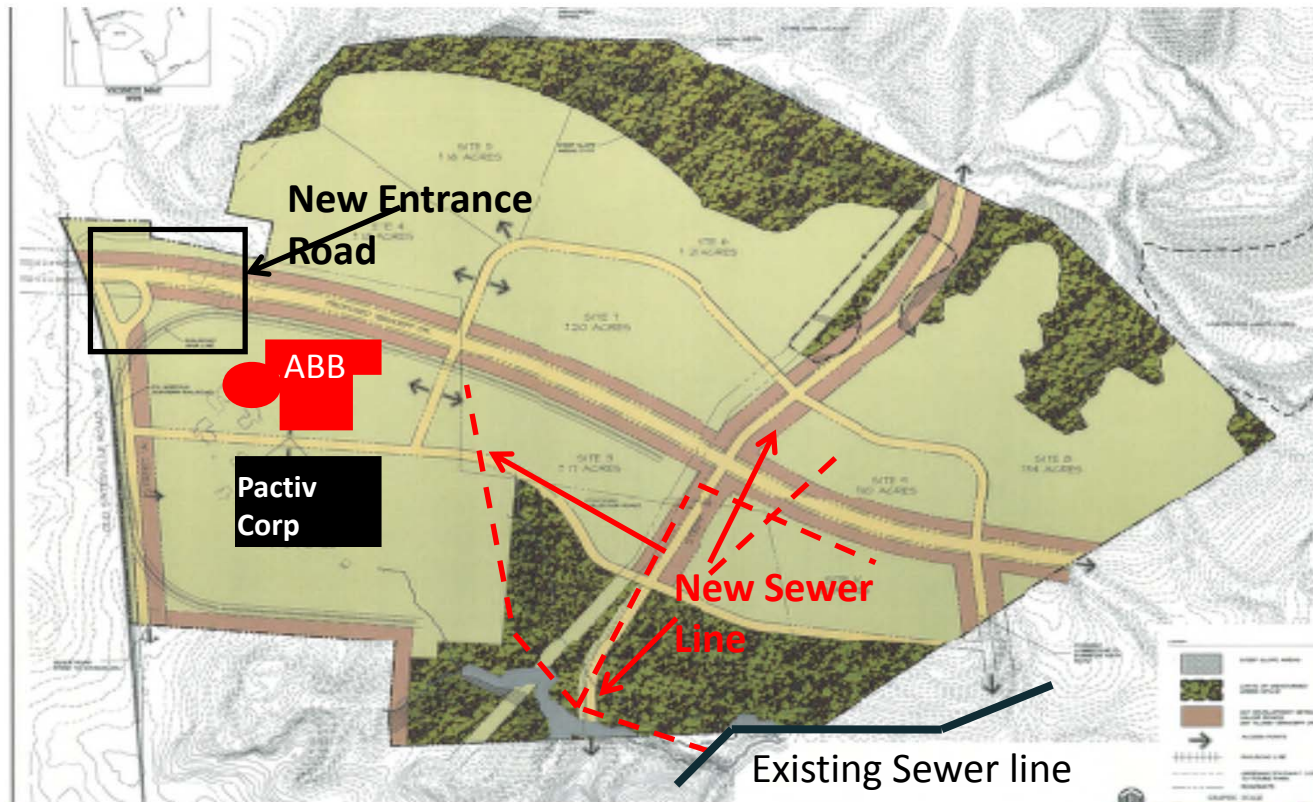
“In two years’ time, we have transformed a green field into a state-of-the-art manufacturing facility that is producing plastic cups as we speak...The fact that 24 months from when we started we now have a functioning building in a burgeoning industrial park, is a true testament to the can do spirit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

-- **Ben Shapiro, VP for Planning with Prairie Packaging**

September 20, 2006

# Park Development

- Grants were key in development
  - Over \$1 million in CDBG for access road and sewer line extensions.
  - \$1.4 million EDA Grant for entrance road





# Park Management Team

- 3 Towns' Managers
- 3 Towns' Mayors
- County Manager or designee
- EDC Director serves as Ex-Officio
- The Park – Commerce Station – has its own budget, separate from the EDC (point of confusion for some).
- Separate fund, separate financials.





# Celebrate Success

- Since inception, Lake Norman Regional Economic Development Corporation (LNREDC) has brought **over \$218.3 million** in new capital investment and **more than 1,711 new jobs** to the region by recruiting new businesses and helping existing industries expand.

ABB (H)	Interactive Safety Products (H)	OVATION Wireless Management (C)
American Tire Distributors (H)	IRWIN Tools (H)	Poly-Tech Industrial, Inc. (H)
Arrendale & Associates (C)	Keller Technology (H)	Positec Tool Corp. (H)
ColorID (C)	Kellogg Co (H)	Prairie Packaging (Pactiv Corp.) (H)
CTek Industrial Products (C)	Liechti Engineering AG (H)	Presbyterian Hospital/Huntersville (Novant Huntersville Medical Center) (H)
Curtis Screw Company LLC (C)	Lime Energy (H)	SAERTEX USA (H)
Daetwyler Corp. USA (H)	McLeod Corporation (C)	Valspar (D)
Forbo Siegling, LLC (H)	Metrolina Greenhouses (H)	Wam Bam Fence (C)
Griffin Brothers Companies (C)	Michael Waltrip Racing (C)	
Huber Technology (H)	Microban International (H)	
Huntersville Hardwoods (H)	MSC Industrial Supply Co. (D)	
Implan (H)	Newell Rubbermaid (H)	
Innovasource (H)		

# Lessons Learned

- Protect Land for Development – Identify Strategic Locations and Rezone NOW!
  - Huntersville – Over 1,000 acres
  - Cornelius – Over 400 acres
  - Davidson – Over 300 acres
- Property Manager to Focus on Implementing Goals of the Management Team
- Challenges
  - Time
  - Personalities
  - Political Borders (Turf)
  - History (or Lack of)
  - Ownership
  - Money
  - Trust



# Lessons – Cont'd

- Its not easy, especially in areas facing growth
- If you have product in a quality community, prospects will come – Getting prepared and being prepared are critically important
- Use a client and/or cause to draw you together – Nothing succeeds like success
- External advocacy helps; having an EDC Director helps too
- Empower Professionals – find allies
- Face time – get people together (so they really know each other) before even thinking about signing agreements (trust)
- Set a drop dead date for success (motivation)



# Celebrating Other Partnerships

- **Water/Sewer:** Charlotte Mecklenburg Utilities Department (CMUD)
- **Parks & Recreation:** LKN Teen Council, Bradford Park
- **Emergency Services:** CharMeck Alerts, Fire Tax Study
- **Public Works:** Brine Making Station
- **Transportation/Transit:** Metropolitan Transit Commission (MTC), Lake Norman Transportation Commission (LNTC), Red Line Task Force
- **Tourism:** Visit Lake Norman (funding)
- **Planning:** Small Area Plans



## Questions/Comments?

The grass is always greener on the other side, but it still has to be mowed...

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The logo features the text "ICMA 100th ANNUAL CONFERENCE" centered in the upper half of the image. The "100th" is written in a large, blue, stylized font, with "th" in a smaller, orange, cursive font. The background is a light blue gradient with several white fireworks exploding. At the bottom of the image, there is a stylized landscape with a green hill, an orange band, and a light blue sky.

ICMA  
**100**<sup>th</sup>  
ANNUAL CONFERENCE

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**Charlotte**  
Mecklenburg County  
SEPTEMBER • 14-17 • 2014