

City of Greensboro Economic Development

**Report on Completed FY 2006/2007 Initiatives
And
Economic Development Incentives Approved
(Includes Data for the Last 5 Years for a Historical Perspective)**

Executive Summary

The City, in cooperation with its community Economic Development partners, has continued to realize success in attracting new employers to the area and creating a climate conducive to the continuing growth and success of existing businesses. Economic Development and creating/retaining quality jobs for the citizens of Greensboro continues to be a priority for the City Council. The City Manager's Office is issuing this third annual report to the community on the more noteworthy accomplishments in this area that have been completed over the past fiscal year. Comprehensive data has been included on the Economic Development incentives that have been approved to bring new jobs to Greensboro.

In addition to our ongoing efforts to attract new jobs to Greensboro, significant effort has been invested over the past year in revamping and enhancing infrastructure and policies and procedures. These initiatives are being implemented to create a more pro-business environment and position Greensboro to benefit from the expected spin-off jobs from suppliers and related businesses scouting the area in anticipation of Fed-Ex Air opening its new hub here in 2009.

Some particularly notable examples include:

- Adoption of the new City/County Water and Sewer Extension Policy.
- Passage of the \$10 Million Economic Development Bond.
- Adoption of the Urban Development Investment Guidelines - Corporate Park Addendum.

Economic Development incentives are a valuable and essential tool in accomplishing our mission of creating jobs for the citizens of Greensboro and encouraging new capital investment by new and existing firms. Although we wish incentives were not necessary, they are a very important tool which allows the city to compete in a highly competitive global marketplace.

A full economic impact analysis is completed on every economic development project requesting incentives from the city. This analysis serves as a basis for our negotiations as we seek to reach an incentive amount that will be competitive as the company looks at alternative sites, but will also generate a positive return to the community. We look at incremental property tax revenue associated with the new capital investment as well as incremental sales tax revenue expected as a result of new spending within the community. We utilize the Minnesota IMPLAN Group's modeling software to run this analysis. This software has been well tested (on the market since 1993) and is currently in use by over 1,000 public and private institutions. Some users, other than the city of Greensboro, include the University of NC at Greensboro, Charlotte, Chapel Hill and Wilmington, the Army Corps of Engineers, the Federal Reserve Bank, the NC Department of Commerce, the NC Department of Parks, Recreation and Tourism Management, and the University of California at Los Angeles.

An economic impact analysis is an assessment of change in overall economic activity as a result of some change in one or several economic activities, such as additional wages, purchases of raw materials and added demand for services. The change can be measured by the *direct*, *indirect*, and *induced* Impacts.

- The *direct impact* includes the salaries and benefits of the new employees, the construction worker compensation, and the purchases of supplies from Guilford County vendors.
- The *indirect impact* results from expenditures by the direct vendors to their Guilford County suppliers.
- The *induced impact* results from the new hires and employees of the various supplier firms spending their wages in Guilford County on goods and services. This effect is the most volatile component of the analysis as it is dependent upon how many of the new workers represent incremental spending in Guilford County. If a new hire works in Guilford County but elects to live and spend his or her wages in Forsyth or Alamance County, those dollars represent leakages from the local economy and will reduce the multiplier and overall impacts.

The completed analysis details the economic impacts in terms of *final demand* (comparable to aggregate gross sales revenue), *value added* (comparable to gross product), and *employment*. The *direct impact drives the indirect and induced impact* (spillover or multiplier effect). *Final demand, or output, represents intermediate purchases* (goods and services to run the business) + *employee compensation* (wages, salaries and benefits) + *proprietors income* (self-employed people) + *indirect business taxes + other property income* (profits).

Whenever possible, the City attempts to assist our large and small employers' expansion plans without actually offering cash incentives. While these instances are not as visible as economic development incentive grants, they can be powerful tools in saving businesses time and money and facilitating their choice of Greensboro for their new or continuing operations. This is accomplished via our targeted loan pool financing for start-up/expanding small businesses in the state development zone, meeting/consulting with entrepreneurs and assisting them with their business plans or facilitating meetings with our not-for-profit business advisory providers. To assist larger employers, we creatively and interactively work with them to solve emerging issues via the City's Economic Development Rapid Review Team through active plan review, identification of potential barriers, and other pro-active problem-solving inquiries. Additionally, we work collaboratively with our community economic development partners such as the Greensboro Economic Development Alliance and Downtown Greensboro, Inc. to achieve Council priorities.

To frame the importance of maintaining our vigilance regarding bringing in new jobs and retaining existing jobs, it is important to keep in mind that the current unemployment rate as of July 2007 is 5.2% for Greensboro (represents 6,724 citizens seeking work), 5.3% for Guilford County (13,204 citizens) and 5.2% for NC (238,581 citizens). The average

cost to the taxpayer is \$15,000 to \$20,000 per year for the breadwinner of a 4-person family to rely on public assistance. Taxpayers are potentially saved millions of dollars annually through cost avoidance by creating employment opportunities for our citizens. In addition, creating jobs positively focuses these individuals towards contributing toward the good of society as opposed to providing compensation for someone to merely subsist.

While globalization has slowed somewhat, it continues to impact our region as additional jobs in our traditional manufacturing sectors are moved offshore to low-cost regions. We must maintain a continued vigilance in creating a world-class school system, trained workforce, and solid infrastructure to stay relevant and competitive in the global economy. The Greensboro Partnership has been making progress on executing initiatives identified in the strategic plan as developed in consultation with the community. The strategic plan identifies a strategy for reinventing and revitalizing the local economy by leveraging our existing strengths and recruiting viable 21st century industries. City staff is committed to working closely with our community economic development partners to make this vision a reality and increasing prosperity for all Greensboro citizens.

It is noteworthy that 159 full and part-time jobs have been created or are being created by new and expanding businesses that emerged in Greensboro as a direct result of the targeted loan pool program. In addition, 4,050 well-paying jobs have been created or retained as a result of the economic incentives that were authorized between FY 2002/2003 and FY 2006/2007 to induce employers to expand in Greensboro. **These 4,050 new job opportunities along with the \$552,907,400 of private corporate capital investment associated with the respective projects have been supported with a public investment from the City of Greensboro of \$5,700,000 (1.03% of the total capital investment) to make it happen.**

This number does not include the jobs that have been generated or retained by the successful efforts that the City has spearheaded to facilitate corporate efforts to secure incentives, tax credits or infrastructure from external (outside the City of Greensboro) sources. A few examples where we have been able to facilitate expansion in Greensboro via these alternative sources are outlined on page 11.

Completed Economic Development Initiatives

- 1) Urban Development Investment Guidelines – Corporate Park Addendum was written and approved by City Council.
 - ✓ Expected to result in new public-private partnerships to develop large corporate parks in Greensboro.
 - ✓ Addresses a critical lack of ready to build sites for corporate development in Greensboro
 - i. Fed-Ex coming on-line in 2009 is expected to result in various new businesses moving to the area.

- ii. City is being proactive to capitalize on corporate interest in its highway system, pro-business climate, universities, and available workforce.
 - ✓ Provides a consistent and dependable framework for evaluating public participation in private sector corporate park projects.
 - ✓ Establishes investment and size threshold required to qualify for consideration for incentives.
 - ✓ Outlines a formal staff review process.
 - ✓ Defines how project risks and returns to the city will be reviewed and evaluated.
 - ✓ Identifies how grant funds may be used.
 - ✓ Establishes a scoring system to be used to evaluate a project for eligibility and compare to other competing projects in prioritizing applications.
 - ✓ Requires an economic benefit analysis be performed as a component of the staff due diligence process.
- 2) Projects Approved for public participation under the original Urban Development Investment Guidelines.
- ✓ 1 Approved to date – Centerpointe Condominium
 - i. Resulted in \$35,000,000 in capital investment in Greensboro.
 - ii. City Incentives totaled \$1,100,000.
 - iii. Expected to generate 58 new jobs for the area and increase the vibrancy of downtown.
 - ✓ 1 Under Evaluation – Murrow Station
 - i. Analysis being revised due to reconfiguration of the project by the developer.
 - ii. City Housing and Community Development has worked with the developer and the Redevelopment Commission to amend the Cumberland Redevelopment Plan so that the developer could apply for a rezoning of this downtown site to enable this significant urban infill development project to move forward.
- 3) Economic Development Bond
- ✓ Approved by Council and Authorized by voters in a November 2006 Referendum.

- i. Total Authorized Amount is \$10,000,000.
- ii. Supports job creation, industrial park development, and infrastructure, such as water, sewer, street improvements and land acquisition.
- iii. Funds may also be used to fund catalyst projects in reinvestment areas and corridors as defined in the Urban Development Investment Guidelines.
- iv. All projects under consideration for these funds will be approved separately by City Council.

4) New City-County Water Sewer Policy

- ✓ Adopted in May 2007.
- ✓ End product represents the culmination of nearly 2 years of staff efforts.
- ✓ Already stimulated several new economic development projects in the County that are attaching to City water/sewer.
 - i. Some non-residential.
 - ii. Submitted after July 1, 2007, the effective date of the ordinance.
- ✓ Eligible areas expanded by 50%.
- ✓ Requires that all projects meet all City development standards.
- ✓ Helps the County tax base immediately, will benefit the City upon ultimate annexation.

5) South Elm Street Brownfield Redevelopment

- ✓ 3 Environmental Clean-up grants totaling \$600,000 were applied for by the City and awarded by the U.S. EPA for the project.
- ✓ Total EPA and HUD grants received to date for this project total \$5,800,000.
- ✓ Sanitary sewer lines have been upgraded in preparation for this \$30+ Million development project.
- ✓ Much of the 13 acre site has been purchased by the Redevelopment Commission.
- ✓ Comprehensive Environmental Site Assessment Report was completed and sent to the NC department of Environmental and Natural resources (NCDENR) for review and preparation of a Brownfield Agreement.

6) Martin Luther King North Initiative

- ✓ 15 acre development site located on Martin Luther King Jr. Drive just South of Lee Street.
 - i. Assembled by the Redevelopment Commission as part of the long-term commitment to the Ole Asheboro neighborhood.
 - ii. Plan as developed by the community includes a mixed-use development on the four blocks of the site.
 - 1. Consists of institutional development, mixed use buildings along Martin Luther king Jr. Drive, multi-family residential buildings along Bragg Street, and two new streets being built.
- ✓ Site preparation has been moving forward to include environmental assessments, sanitary sewer upgrades, and soil characterization
- ✓ 2 private developers have been selected to develop blocks A-1 and A-2.
 - i. Includes approximately 60,000 square feet of commercial/office space and 60 to 80 new housing units.
- ✓ Construction expected to commence in late 2008.

7) Willow Oaks Village Center Development and Market Analysis

- ✓ City Housing and Community Development has worked with the Greensboro Housing Authority and the lead developer, Mid-City Urban, to prepare a market and development analysis of the Village Center component of the Willow Oaks project.
- ✓ This phase will provide retail and supporting uses for the surrounding community as well as other adjacent neighborhoods.

8) McConnell Road Development Charrette

- ✓ City Housing and Community Development conducted a design and development charrette for the McConnell Road west section of the Willow Oaks neighborhood.
- ✓ Objective was to provide form-based design and development recommendations to private developers planning additional student housing in the neighborhood.
- ✓ Retail and live-work units were included in the mix of development types recommended for the area.

9) Glenwood Neighborhood Plan/Grove Street Commercial Area

- ✓ City Housing and Community Development initiated a comprehensive planning study of the Glenwood neighborhood.
- ✓ Discussions have been held with representatives of the Grove Street business district aimed at encouraging private investment and enhanced public infrastructure in this important neighborhood business district.

10) High Point Road/ West Lee Street Reinvestment Corridor Study initiated.

- ✓ Community-wide kickoff meeting held in January 2007 at the Coliseum to review the process for developing the redevelopment plan with the community and engage the interested stakeholders in identifying strengths, weaknesses, opportunities, and threats to the corridor.
- ✓ Total of 15 additional stakeholder (neighborhoods, businesses, major land owners, major institutions, etc.) meetings have been held to seek input on issues and what the goals of the plan should be.
- ✓ Citizen committee of approximately 25 people (participants represent a broad group of interests) was formed in March 2007 to guide the plan process. This group has held 5 meetings to date.
- ✓ Consultants were engaged in April 2007 to examine and develop plan recommendations related to the appropriate future development in the area and address future land-use patterns as well as physical and visual improvements to the area.
- ✓ Initial market findings and draft concepts for key opportunity sites completed by year-end.
- ✓ Project website (www.greensboro-nc.gov/departments/Planning/compplan/highpointrdwleest.htm) has been created and maintained to keep the community informed of the progress and seek input and involvement.
- ✓ Planning has also engaged in meetings with key entities to include UNCG, Greensboro Coliseum, Koury Corp., Lee Street Merchants Association, Glenwood, Lindley Park, Ardmore Park, Warnersville neighborhoods, as well as the downtown boosters to discuss collaborative efforts in the corridor.
- ✓ 2008 goals include completing an in-depth market analysis for industrial, residential, and retail/entertainment uses. This information will be used to develop final concepts that will be presented to the public along with an

action plan laying out strategies to achieve agreed upon goals. The corridor plan will then be developed and vetted through the public approval process by staff.

11) Researched and compiled data for the City of Greensboro to be included in national economic development and business climate assessment survey.

✓ International City/County Management Association Economic Development Survey

i. Enables Greensboro to be included in the data which will be available to cities both domestically and internationally.

ii. Provides a means of benchmarking our economic development practices with what other jurisdictions are offering.

12) Met with the Greensboro Economic Development Alliance and mutually agreed upon a scope of services that they are expected to deliver on in order to meet the expectations of Council.

✓ Involved GEDA in establishing performance standards in order to obtain buy-in and set realistic goals for FY 2006/2007.

✓ Prepared and executed a performance based contract requiring quarterly reports on how they are doing in meeting their goals and objectives.

✓ Reviewed quarterly progress reports for progress towards achieving established goals prior to funding quarterly grants.

13) Met with Downtown Greensboro, Inc./Downtown Greensboro Improvement Corporation and mutually agreed upon a scope of services for the Business Improvement District "BID" funds, city project funds, and operating funds that they are expected to deliver on in order to meet the expectations of Council.

✓ Involved DGI/DGIC in establishing performance standards in order to obtain buy-in and set realistic goals for the business improvement district funds, city project funds, and operating funds.

✓ Prepared and executed performance based contracts requiring quarterly reports on how they are doing in meeting their goals and objectives and financial reports covering all public funds.

✓ Reviewed quarterly progress reports for progress towards achieving established goals prior to funding quarterly grants.

14) Planning Department

- ✓ Handled a number of ordinance text amendments in response to development interests, such as for reduced setbacks for townhome developments.
- ✓ Worked with GDOT on a major effort to establish new street standards for the City.
- ✓ Established new design guidelines along a portion of Spring Garden Street.
 - Expected to aid reinvestment in the area.
 - Has already resulted in rezonings using the more flexible design guidelines put in place.
 - Currently working on similar design guidelines for the downtown area.
- ✓ Land Development Ordinance Revision.
 - Multi-year effort well-underway to overhaul and simplify.
 - Overall effort over 50% complete.
 - Ordinance adoption and related comprehensive rezonings are expected to be completed by year-end 2009.
- ✓ Zoning
 - Processed 135 rezoning or special use requests.
- ✓ TRC
 - Processed 225 new plans.
 - Continued to streamline processing procedures and increased on-time staff reviews.

15) Environmental Services

- ✓ Reviewed environmental studies as presented to the City for various projects.
 - Focuses on determining whether information presented appears to be consistent with current environmental regulations.
- ✓ Works towards ensuring economical solid waste disposal options for the City.

16) Field Operations

- ✓ Solid Waste and Recycling Collection Improvements
 - Increased Central Business District collection service.
 - Increased CBD collections days for businesses from 4 to 6 days a week with no increased funding for the department.

- ABC Board Glass Collection recycling
 - Effective 1/1/08, the State of NC has required all ABC license holders to develop a recycling plan, primarily for recycling glass.
 - Solid Waste Collections staff has assisted these businesses with plan development and has made some level of collection provision for these licensees, depending on their location in the City.

17) GDOT Consultation and Involvement on Various Other Projects to include:

- ✓ Downtown Greenway (Greenway Evaluation)
- ✓ Murrow Station
- ✓ Eastern Guilford Corporate Park Site

18) Extensive consultation by the City MIS Department and City Economic Development staff with Greensboro Economic Development Alliance on preparing maps and providing GIS data.

- ✓ Supply all GIS data for GEDA's interactive website site location map.
- ✓ Prepared variety of maps showing industrial sites, site plans contour features, aerial views, large acreage sites, etc for numerous economic development efforts.

19) Conducted due diligence and prepared an impact analysis and projected sales tax model to better assess the direct, indirect and induced economic impact as well as incremental ad valorem and sales tax revenues and added employment prospects for various development projects.

- ✓ Kay Chemical Company
- ✓ Carolina Precision Plastics
- ✓ Honda Aircraft Company
- ✓ Proctor & Gamble Company

Economic Development Incentive Financial Assistance Grants (FY06/07 Only)

1) Kay Chemical Company

City Council authorized awarding \$120,000 to Kay Chemical Company on 8/15/06 for an investment in new manufacturing equipment and facility improvements. The company was founded in Greensboro in 1932 and later acquired by Ecolab. Selection of Greensboro for the project serves to further enhance the relationship of Kay Chemical and the local community as well as create 25 new jobs to be filled in 2007. Sites in competing North American locations were evaluated and considered for this expansion in addition to Greensboro.

New Investment	\$11,950,000	
New Jobs	25	
Average Wage	\$35,000/Year + Benefits	
Economic Impact Analysis	Lower Bound	Upper Bound
Final Demand/Output	\$41.586 Million	\$46.901 Million
Value Added	\$21.091 Million	\$24.205 Million
Employment, 2007-2010	37 jobs	48 jobs
Incremental Sales Tax Revenue		
Five Year Projection	\$56,149	\$74,485
Incremental Ad Valorem Tax Revenue		
Five Year Projection		\$287,500

2) Carolina Precision Plastics LLC

Carolina Precision Plastics was authorized by City Council on 10/3/06 to receive a \$200,000 grant for the creation of 200 new jobs and the investment of \$6,000,000 in Greensboro. The company is headquartered in Asheboro and is seeking to add additional production capacity to accommodate growing business from an acquisition. As the Asheboro facility is constrained from further expansion due to physical barriers, the company was considering moving the entire operation to a site in Alabama or Tennessee. Upon the closure of the former Core Systems (unrelated entity) operation in Greensboro and the availability of this building, the company was able to make a solid business case for increasing their manufacturing capacity in NC and opening a Greensboro manufacturing location.

New Investment	\$6,000,000	
New Jobs	200	
Average Wage	\$38,272/Year + Benefits	
Economic Impact Analysis	Lower Bound	Upper Bound
Final Demand/Output	\$200.8 Million	\$229.3 Million
Value Added	\$84.1 Million	\$100.8 Million
Employment, 2006	159 jobs	204 jobs
Employment, 2007	189 jobs	242 jobs
Employment, 2008	227 jobs	291 jobs
Employment, 2009	265 jobs	339 jobs
Employment, 2010	303 jobs	388 jobs
Incremental Sales Tax Revenue		
Five Year Projection	\$101,712	\$148,557
Incremental Ad Valorem Tax Revenue		
Five Year Projection		\$140,000

3) Honda Aircraft Company

Planning and development of the Hondajet began in 1986. Honda opened an R&D facility at the Piedmont Triad International Airport in 2000 and completed the first test flight of the new aircraft in December 2003. The company opted to commercialize the jet in 2006 and began taking orders from customers.

Sites in Greensboro, along with three other states, were considered for a manufacturing and headquarters facility for the company. Greensboro was ultimately chosen on the basis of airport access and infrastructure, a skilled workforce, and the community's desire and

willingness to work hard to bring the company here. City Council approved a grant of \$600,000 (to be paid out over 5 years at \$2,000 per job) to Honda Aircraft Company on 2/6/07.

This project received an honorable mention in the 2007 Economic Development Deal of the Year awards sponsored by Business Facilities magazine.

New Investment	\$100,100,000	
New Jobs	300 Employees + 85 Contractors	
Average Wage	\$76,430/Year + Benefits	
Economic Impact Analysis	Lower Bound	Upper Bound
Final Demand/Output	\$245.5 Million	\$330.6 Million
Value Added	\$162.1 Million	\$212.1 Million
Employment, 2007	718 jobs	929 jobs
Employment, 2008	234 jobs	351 jobs
Employment, 2009	442 jobs	626 jobs
Employment, 2010	518 jobs	729 jobs
Employment, 2011	454 jobs	687 jobs
Incremental Sales Tax Revenue		
Five Year Projection	\$382,328	\$580,296
Incremental Ad Valorem Tax Revenue		
Five Year Projection	N/A, On airport property	\$0

4) The Procter and Gamble Manufacturing Company

In accordance with the city’s Economic Development Program Guidelines, an economic development grant for \$231,000 was approved for the Procter and Gamble Manufacturing Company located at 6200 Bryan Park Road in Brown Summit. P&G carefully evaluated competing plant locations in Greensboro and Massachusetts in deciding where to locate a new deodorant line as well as the relocation of an existing line. This grant was necessary to partner with the local plant management team in pulling together a financially compelling business case for P&G corporate management to select Greensboro for the new and relocated deodorant lines. Both sites had to compete for the new business.

City Council approved the grant on 6/5/07 and it is to be paid out over three consecutive years provided that the company makes the required investment (\$19,000,000) and hires the agreed upon number of new positions (25) at a wage that is at or above the Guilford County average.

New Investment	\$19,000,000	
New Jobs	25	
Average Wage	\$40,352/Year + Benefits	
Economic Impact Analysis	Lower Bound	Upper Bound
Final Demand/Output	\$57.4 Million	\$64.4 Million
Value Added	\$25.2 Million	\$29.3 Million
Employment, 2008 (With Construction)	158 jobs	202 jobs
Employment, 2009-2010	56 jobs	73 jobs
Incremental Sales Tax Revenue		
Three Year Projection	\$86,721	\$121,702
Incremental Ad Valorem Tax Revenue		
Three Year Projection		\$288,681

Economic Development Pro Business Assistance and Consultation Initiatives

- 1) Honda Aircraft Company
 - ✓ Water resources expedited forces to relocate a City water line from the Honda site.
- 2) Reedy Fork Ranch
 - ✓ Executed culvert improvement.
 - Investment of \$746,996.
- 3) Sykes & Sykes
 - a. Residential development project located at Chapel Ridge in Greensboro.
 - ✓ Executed concrete box culvert installation required as a result of a roadway extension.
 - ✓ City participated in 60% of the costs of the concrete box culvert.
 - Represents City investment of \$105,716.
- 4) Centerpointe Condominium (Downtown Elm Street)
 - ✓ City completed Bellemeade Street Deck Pedestrian Bridge.
 - Cost of \$150,000 to complete.
- 5) Biscuitville Inc.
 - a. Redeveloped and upgraded a location at 3029 High Point Road.
 - b. Installed a new sidewalk along West Meadowview Drive and curb ramps at the intersection of High Point Road/ West Meadowview Road.
 - ✓ Executed Sidewalk Improvement Contract - \$11,820

- 6) Replacements Inc.
 - ✓ Knox Road Sidewalk Improvement Contract - \$35,845
 - ✓ Executed Knox Road Culvert Improvement Contract – \$233,764

- 7) Liberty Property, Ltd.
 - a. Developed a new site along Pleasant Ridge Road.
 - b. Installed a new sidewalk along property frontage.
 - ✓ Executed Sidewalk Improvement Contract - \$31,694.

- 8) Kim’s Fantacity Commercial Development (West Market Street)
 - ✓ Sidewalk Improvement Contract - \$24,503.

- 9) Green Valley/Proximity Hotel
 - ✓ Sidewalk and Traffic Signal - \$30,000

- 10) City View Apartments
 - ✓ Sidewalk Reimbursement - \$11,000.

Interactions with Citizens to Inform Them on the Economic Development Incentive Process

In addition to the time invested in achieving major initiatives and meeting with our corporate citizens to create a pro-business environment and facilitate projects, we are also very focused on working with the small entrepreneur to start and/or expand his or her business. This may be a lifestyle business with a few employees or one that is small now but could possibly become the next RF Micro. The consultative advice that we share with these entrepreneurs deals with everything from how to properly license the business with the city, to interacting with city, county, and state departments, to obtaining financing and completing their business plan.

Over the course of the last fiscal year, the city’s two Economic Development staff employees have had the opportunity to talk with hundreds of these individuals and meet face to face with 155 of them. Some of the more notable interactions are as follows:

Interactions through physical meetings, City hosted seminars and other venues to educate small business owners and entrepreneurs on tools to assist them in starting a new business or growing their existing business.

- ✓ 12th Annual Black History Month Business Expo 2007

- Shared information on the targeted loan pool and other resources available locally to assist entrepreneurs in growing their businesses.
- ✓ Economic Development Forum and Breakfast
 - City worked in cooperation with East Market Street Development Cooperation and Bank of America to sponsor a community lending breakfast.
 - Objective was to recognize some recent successes, such as the Revolution Mills Studios project (\$40 Million investment), and highlight best practices in lending for community economic development projects.
 - Included information on New Market Tax Credits, Historic Tax Credits, and other lending tools that are being successfully used to revitalize neighborhoods and cities.
- ✓ Other groups that have invited us in as a featured presenter on the economic incentive process and targeted loan pool financing are as follows: Leadership Greensboro, various churches, merchants associations, civic organizations, and the City Academy.

Conclusion

In summary, there has been a lot of productive activity in the Economic Development area of the City and as noted above some excellent successes have resulted from these efforts. It is especially noteworthy that 4,050 well-paying jobs have been created or retained in the community over the past five years as a direct result of the economic incentive inducements that have been authorized by City Council. **These projects have allowed the City to leverage its investment of \$5,700,000 with \$552,907,400 of corporate capital investment to grow the tax base and create good job opportunities for 4,050 individuals.**

While not as dramatic as the large job creation events, your continued support of the targeted loan pool has also resulted in the growth and/or creation of seven businesses thus far. It is anticipated that once all seven are up and running, another 159 full and part-time jobs will have been created in the community. Finally, the continued focused effort by City staff, our non-profit partners and the local business community on mentoring and creatively working with businesses is furthering our goal of improving the pro-business climate in Greensboro. This is essential as we work toward our goal of continuing to grow the economy and creating a prosperous environment where all Greensboro citizens who want to work will have that opportunity.

We look forward to continuing to assist small and large businesses in growing their operations in Greensboro and in fostering a desirable climate conducive to growth and prosperity. This will serve as an inducement to persuade new companies to take a look and choose Greensboro as they consider alternative sites for corporate relocations or

expansions. Furthermore, we remain committed to interacting with the business community and private citizens through continued on-site meetings, surveys, and other venues to further identify strengths, weaknesses, opportunities, and threats that will better assist us in identifying emerging issues and collaboratively working together to solve them in a proactive manner. We anticipate continuing to provide consultative advice to entrepreneurs who are seeking to take the necessary steps to start their own business or grow a business that they already have up and running.

Appendix I - Targeted Loan Pool Update

The Targeted Loan Pool was authorized in November of 2003 as a tool to encourage investment and the creation of jobs in an economically depressed area of the City. This area, the NC State Development Zone, has historically experienced a lack of availability of capital and has an overall poverty rate of 20%. The loan fund provides \$1 Million of capital availability annually for start-up and expanding businesses. The portfolio is funded 40% by the City (HUD Community Development Block Grant Funds) and 60% by our bank partners (Bank of America, BB&T, Carolina Bank, First Citizens Bank & Trust Company, Mutual Community Savings Bank, RBC Centura Bank, Bank of North Carolina, and Wachovia Bank).

Prospective borrowers are required to submit a business plan and other supporting documentation necessary to underwrite the loan. The business plan is also required to be reviewed by SCORE (Service Corps of Retired Executives). The full application package along with the recommendation on the viability of the business plan as determined by SCORE is then reviewed and voted on by a committee consisting of the City of Greensboro and one representative lending officer from each participating bank.

SCORE also participates in the Small Business Consortium and is a key partner to the City in consulting with and counseling prospective and active entrepreneurs in beginning and improving their business plans.

Program Success Thus Far

- In excess of 1,000 brochures have been distributed on the loan program.
- 7 applications have been approved by the loan committee.
- Total funding for all approved loans is \$898,412 (\$359,365 or 40% to be funded by the City) and projected job creation is 159 full and part-time positions.
- Our first loan, Cheesecakes by Alex, projected 2 positions but has actually created 9 and has become a destination spot bringing people into downtown Greensboro..
- Various prospective borrowers are working on completing business plans and will be coming forward once they are finalized. This includes retail, service, and food service businesses.

Loans Approved by the Targeted Loan Committee

- 1) CbA Enterprises, Inc. dba Cheesecakes by Alex

Loan amount: \$47,500
Location: 315 South Elm Street, Greensboro
Use of Funds: Leasehold Improvements and Additional Cooking / Baking / Display Equipment.
Projected Job Creation: 2
Actual Job Creation: 9

Comments: Cheesecakes by Alex has quickly become a favorite among downtown Greensboro shoppers, diners and office workers. The business is growing rapidly and performing as agreed upon under his loan terms and conditions. The business is currently considering opening a second location. Actual job creation is above projected numbers.

2) Kindermusik International, Inc.

Loan amount: \$167,000
Location: 203 South Church Street, Greensboro
Use of Funds: Renovate newly purchased office building in downtown Greensboro.
Projected Job Creation: 4
Actual Job Creation: 4

Comments: Kindermusik is a rapidly growing employee owned company that is moving its current business and its new business, Do-Re-Me & You!, into the downtown central business district. In addition, to its creative and administrative employees, the company will help to energize the downtown further and contribute to the continued success of other restaurants and businesses as it brings in additional out of town visitors and educators for training and meetings at the downtown facility.

3) Full Sail Investments LLC dba Rum Runners Dueling Piano Bar and Grill

Loan amount: \$150,000
Location: 212 South Elm Street, Greensboro
Use of Funds: Leasehold improvements and restaurant equipment.
Projected Job Creation: 26 full and part-time positions.
Actual Job Creation: 35+

Comments: Rum Runners Dueling Piano Bar and Grill will be the newest location of a franchise that is expected to make downtown Greensboro even more of a destination area. The Greensboro location was launched by three entrepreneurs who are City of Greensboro residents. The restaurant has additional franchised locations in Sandestin, FL, Fort

Wayne and Mishawaka, IN, Grand Rapids and Lansing, MI, and Raleigh and Wilmington, NC.

4) E3 Academics dba Young Rembrandts

Loan amount: \$38,700
Location: 2007 Yanceyville Street, Greensboro
Use of funds: Franchise fee and equipment.
Projected Job Creation: 3 Full-Time and 19 to 53 Part-Time Positions
Actual Job Creation: 16
Comments: This business is dedicated to providing child enrichment opportunities to further develop the creative side of Guilford and Forsyth County children after-school and on weekends. We met this entrepreneur at NC A&T State University's seminar on franchise opportunities.

5) Southern Pride Cafe, Inc.

Loan amount: \$125,212
Location: 2606 High Point Road, Greensboro
Use of Funds: Renovations and equipment.
Projected Job Creation: 24 full and part-time positions.
Actual Job Creation: 23
Comments: Southern Pride Cafe offers home style meals to customers in the High Point Road corridor. The targeted loan pool funding enabled renovations to be made to the owned building and new restaurant equipment to be purchased in order to create a nice family oriented atmosphere. This project has also contributed to the beautification and revitalization of the High Point Road area.

6) Inside the Rim, Inc. dba The Undercurrent Restaurant

Loan amount: \$200,000
Location: 327 Battleground Avenue, Greensboro
Use of Funds: Renovations and equipment.
Projected Job Creation: 12 retained + 15 new full and part-time positions.
Actual Job Creation: Pending
Comments: The Undercurrent Restaurant has completed their construction phase and opened for business in the heart of the downtown Central Business District. After 9 successful years at their previous location, they outgrew their space on South Elm Street. Loan pool funds enabled the restaurant to stay competitive by opening a new and larger site. The larger site enables the restaurant to now pursue private

dining events and expand lunch and bar service options, thereby increasing overall employment.

7) JOGAP Enterprises, Inc. dba The Coffee Break

Loan amount: \$170,000
Location: 1820 Spring Garden Street, Greensboro
Use of Funds: Renovations and equipment.
Projected Job Creation: 3 new full-time and 2 part-time positions.
Actual Job Creation: Pending

Comments: The Coffee Break is a new business opening in the Spring Garden Street corridor. The building formerly housed the Carolina Pawn Shop and was originally constructed in 1911. Upon completion of extensive renovations, the business is expected to serve as a neighborhood gathering spot for both the university and local area. They will offer premium coffee, tea, cider, and smoothies in customer focused and relaxed atmosphere.

Company	Amount of Investment	# of Jobs Created	Amount of ED Incentives	Public Hearing Date
FY07/08 Incentive Grants				
ITG White Oak Plant	\$15,607,400 (Retained)	738 (Retained)	\$0 Cash, \$1,200,000 Value of Landfill Methane Gas	7/17/2007
RF Micro Devices - Incentive #6	\$103,000,000	300	\$1,200,000	8/21/2007
FY06/07 Incentive Grants				
Kay Chemical Company	\$11,950,000	25	\$120,000	8/15/2006
Carolina Precision Plastics LLC	\$6,000,000	200	\$200,000	10/3/2006
Honda Aircraft Company	\$101,100,000	300	\$600,000	2/6/2007
Procter & Gamble Company	\$19,000,000	25	\$231,000	6/5/2007
Prior Year Incentive Grants				
RF Micro Devices Incentive #3	\$40,000,000	50	\$314,000	5/6/2003
Incentive #4	\$75,000,000	75	\$846,000	6/15/2004
Incentive #5	\$80,000,000	300	\$590,000	2/21/2006
Sherwin-Williams Company	\$1,850,000	35	\$27,000	10/8/2003
Citicorp Credit Services, Inc.	\$35,000,000	1,000 New 700 Retained	\$0	2/17/2004
Purolator Facet, Inc.	\$5,700,000	36	\$94,000	6/1/2004
Stockhausen, Inc. Incentive #2	\$13,000,000	28	\$198,000	6/1/2004
The Volvo Group	\$10,000,000	150	\$150,000	12/7/2004
Market America	\$700,000	30	\$30,000	4/5/2005
The Park View Development LLC d/b/a Centerpointe	\$35,000,000	58	\$1,100,000	5/16/2006
Sum Total	\$552,907,400	4,050	\$5,700,000	