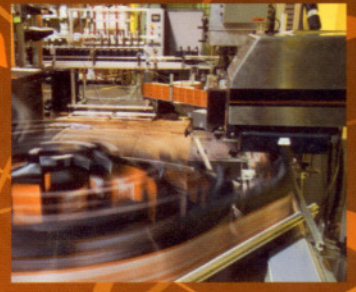
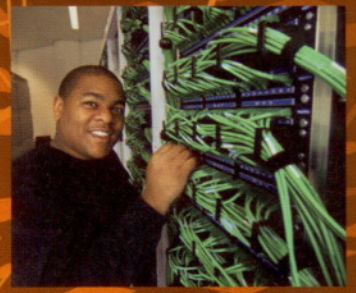


Kerr-Tar Together

Economic Development Campaign
2007-2011



“We have achieved a regional collaboration of historic proportions.”

Danny Wright, Chairman

Kerr-Tar Regional Economic Development Corporation

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Kerr-Tar Together

Dear Community Leader:

The eyes of the state and nation are upon us as we pioneer a regional collaborative approach to economic development. Our future prosperity requires that we are successful today. Our initiative will serve as a model for other rural areas struggling to rebuild economies devastated by job losses in traditional industries.

We are convinced that the time is now to significantly improve the future prospects of the Kerr-Tar Region by implementing an aggressive, proactive economic development initiative – the **Kerr-Tar Hub**. Our intent is to strengthen our region's collective ability to strategically grow our local economy through quality job creation.

The new global economy – characterized by mergers, worldwide competition, changing markets and technological advances – has dramatically altered the nature of businesses and employment in our state. The need to create new, high-paying jobs in growth industries has never been greater and the competition never keener.

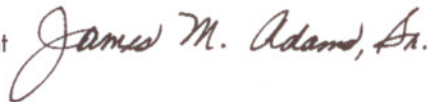
A recently completed regional assessment of business and community leaders in our region indicated a consensus to strengthen the Kerr-Tar Regional Economic Development Corporation's capability to effectively market our region, which will enhance our ability to achieve our strategic growth objectives.

Our new, targeted plan of work will position the Kerr-Tar Region to take full advantage of future job creation and new capital investment opportunities necessary for economic vitality and collective prosperity.

The **Kerr-Tar Together** campaign provides an opportunity for you to join other business and community leaders in ensuring our region's future prosperity. We invite your participation and financial support as we work together to shape a bright, economic future for us all.

Sincerely,
Kerr-Tar Together Campaign Co-Chairs

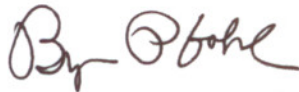
Jim M. Adams, Sr., President
Millridge Company



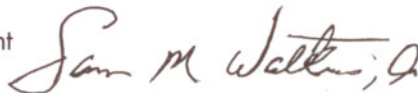
Michael Leonard, President
Michael Leonard Builders LLC



Bryan Pfohl, CEO
Carolina Sunrock



Samuel M. Watkins, Jr., President
Rose Oil Company



Honorary Campaign Chairs

Bill Ray Hall

President, North Carolina Rural
Economic Development Center

James E. Holshouser, Jr.

Sanford Holshouser Law Firm

Richard Moore

North Carolina Treasurer

Abdul Rasheed

CEO, N.C. Community Development
Initiative

Danny Wright

Chairman, Kerr-Tar Regional
Economic Development Corporation
Vance County Commissioner

"The Kerr-Tar Hub offers the best chance for economic recovery of this region that I have ever seen."

N.C. Rep. James Crawford

Kerr-Tar Hub

Attracting 21st-century jobs and opportunity

The Kerr-Tar Region of North Carolina is working to create jobs – high-paying jobs – and economic opportunity for our citizens.

The Kerr-Tar Regional Council of Governments and Kerr-Tar Regional Economic Development Corporation, a 501(c)(3) corporation, are leading a broad-based effort of leaders in Franklin, Granville, Vance and Warren counties to create a dynamic center of economic growth.

Our initiative is called the Kerr-Tar Hub. Our plan is to create a network of specialized industrial parks across our region that will attract growth companies to energize the economies in our four rural counties.

The project has garnered the attention and funding of federal, state and foundation leaders because of its unique approach of sharing both costs and revenues across county lines.

The recruitment plan calls for attracting to each site 25-35 companies in targeted industry clusters, each with approximately 25–50 employees at the time of their location within a Hub site.

The eyes of the state and nation literally are upon us as we pioneer a regional, collaborative approach to economic development. If successful, we not only ensure our region's prosperity, we serve as a model for other rural areas struggling to rebuild economies devastated by job losses in traditional industries.





Turning Our Economy Around

The recession hit the Kerr-Tar Region hard. Our rural counties lost more than 5,500 jobs from 2000-2003. One of our counties had the highest unemployment rate in the state for 15 out of 17 consecutive months.

Our citizens make, on average, 15-20 percent less than people in the rest of the state and 20 percent less than the rest of the nation. Even before the recession, much of the Kerr-Tar Region was left out of the Research Triangle Region's growth.

Too many local workers commute to the metro counties of Orange, Wake and Durham. Industrial recruitment is handicapped by an oversupply of traditional sites and buildings and fierce competition from nearby states.

Even with an upturn in the general economy, we see little on the horizon to change the region's declining course unless steps are taken to make that happen. That's what the Kerr-Tar Hub project is all about – making things happen in our region.

The Challenge: An Economy in Decline

- **Job losses**
- **High unemployment**
- **Low per-capita income**
- **High out-commute rate**
- **Oversupply of traditional buildings and sites**
- **Increased competition from nearby regions**

The Opportunity: Create a Regional Hub Network

Our network of Hub sites is well suited for a wide range of companies and, thanks to our site evaluation and selection process, these sites are now a lot more marketable to company prospects.

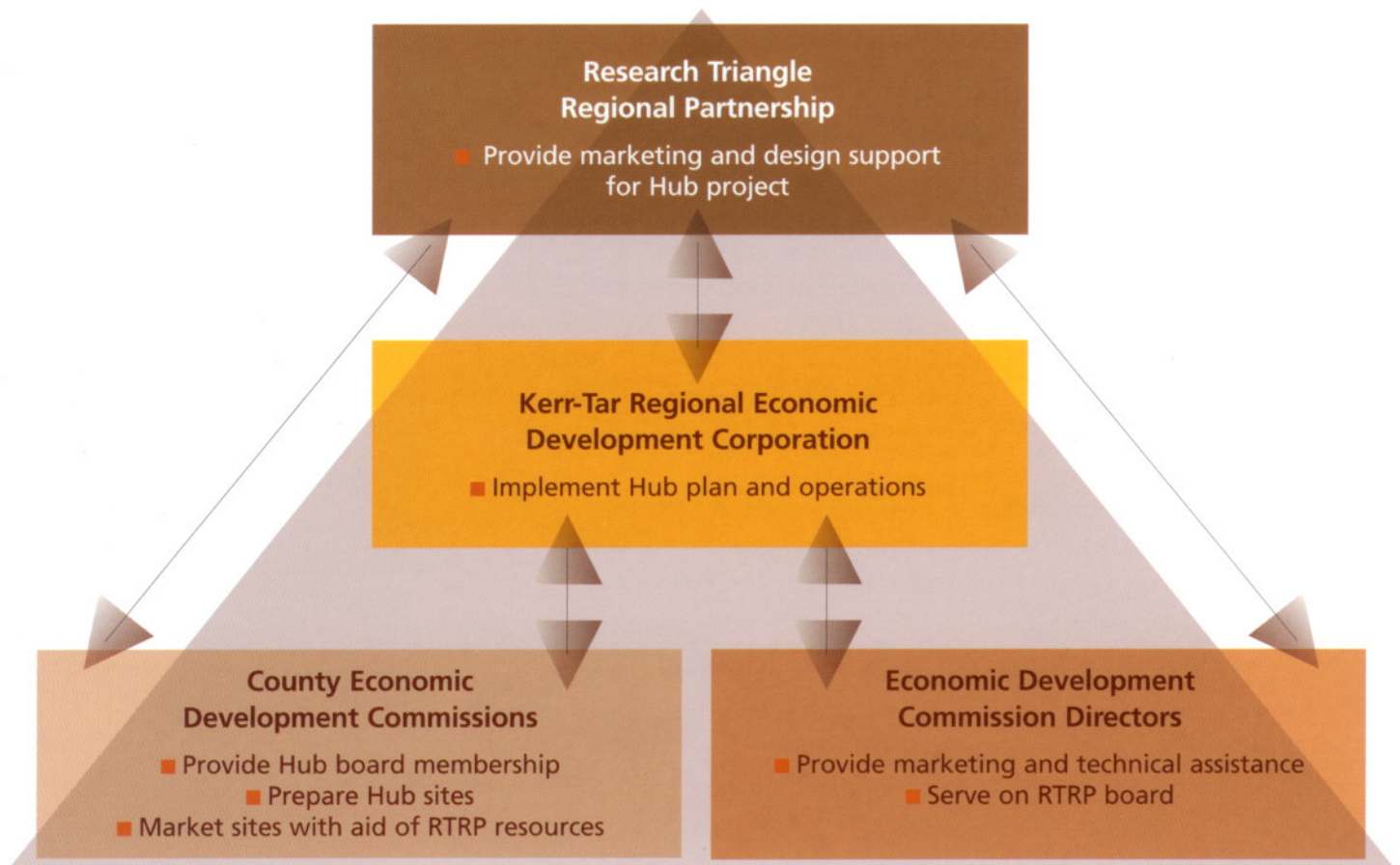
Our process required that these sites become certified through a N.C. Department of Commerce program that lets prospective companies know they are “shovel-ready” to develop.

Before our sites became certified, North Carolina had only four certified sites of more than 500 acres in size. With our region’s large certified sites, we have nearly doubled the state’s inventory of these sites, giving our region a great marketing advantage.

Our plan is to begin developing portions of these sites, as funds allow. As companies locate, proceeds from their investments – the tax revenues they generate – will be used to fund future development phases.

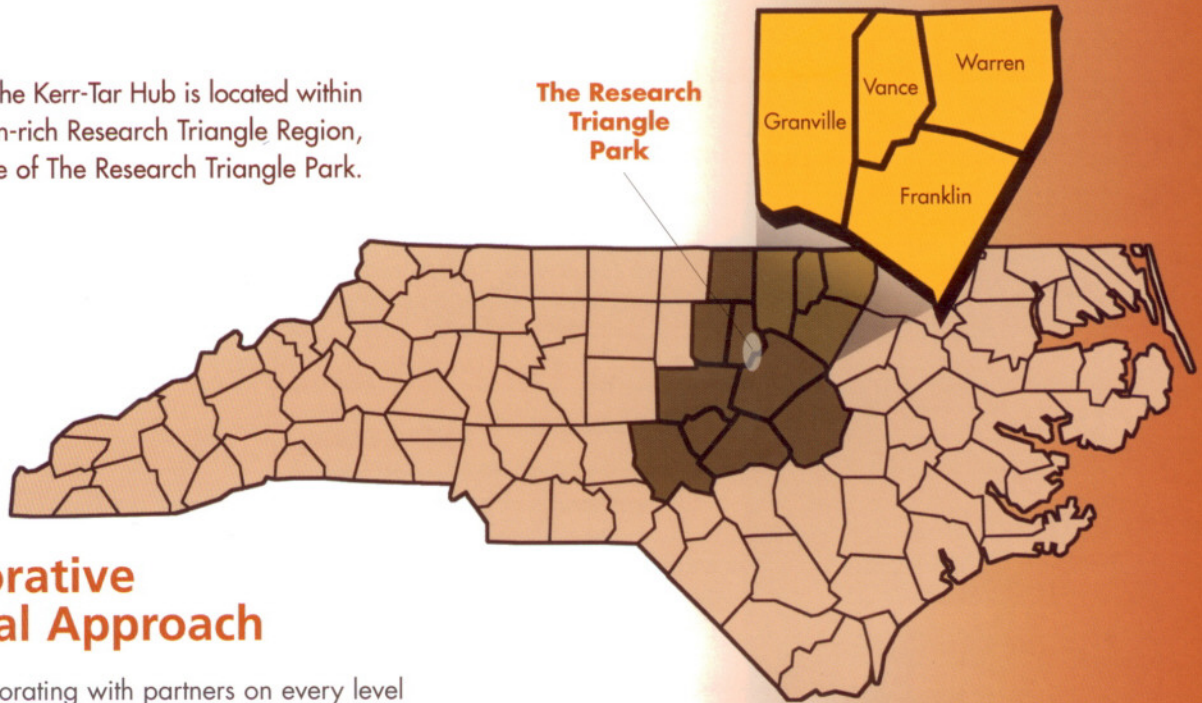


Collaborative Regional Economic Development Model



The Kerr-Tar Hub is located within the innovation-rich Research Triangle Region, home of The Research Triangle Park.

The Research Triangle Park



Collaborative Regional Approach

We are collaborating with partners on every level to make this initiative a success.

We are working with representatives from all of our four counties to own, develop and share in both the costs and revenues of the Hub sites.

The Kerr-Tar Hub is an integral part of the Research Triangle Region's job-creation strategy. This ensures that our business development efforts are tightly aligned to expand investment in the targeted areas that are a fit for our region.

We work hand-in-hand with community colleges in the region to ensure their training programs are preparing our residents for the jobs we will attract.

We partner with economic development experts on the local, state and federal level to gain the knowledge and expertise we need to succeed.



Partnerships are Key

- **Multi-county collaboration with cost and revenue sharing across county lines**
- **Integration with Research Triangle Region jobs-creation strategy**
- **Community college workforce training**
- **Expertise and resources from local, state and national level**



"Regions across the United States should use the principles and practices being used by the Kerr-Tar Hub to design regional technology economic development projects."

**Dr. David Sampson,
Assistant Secretary of
Commerce, U.S. Economic
Development Administration,
speaking at 18 regional
economic forums across the
United States in 2004**

Moving Forward Together: The Five-Year Plan

Economic developers, government leaders and business partners from the county, region and state are collaborating to pursue this five-year plan to develop and market the Hub sites for investment.

Year One: 2006–2007

- Develop the marketing plan
 - Complete land control efforts
 - Receive cluster analysis study from the Carolina Center for Competitive Economies, including financial scenarios
 - Begin design of detailed marketing plan
- Implement phase one of marketing plan
 - Community and regional orientation and initial business contacts
- Develop master land use development plan
 - Solicit requests for qualifications for firms to prepare land use master plan (including timetable and fiscal scenarios)
- Develop detailed Hub business plan
 - Outline costs and timing
- Implement initial infrastructure and land development of site access points
- Manage operations and maintenance

Year Two: 2007–2008

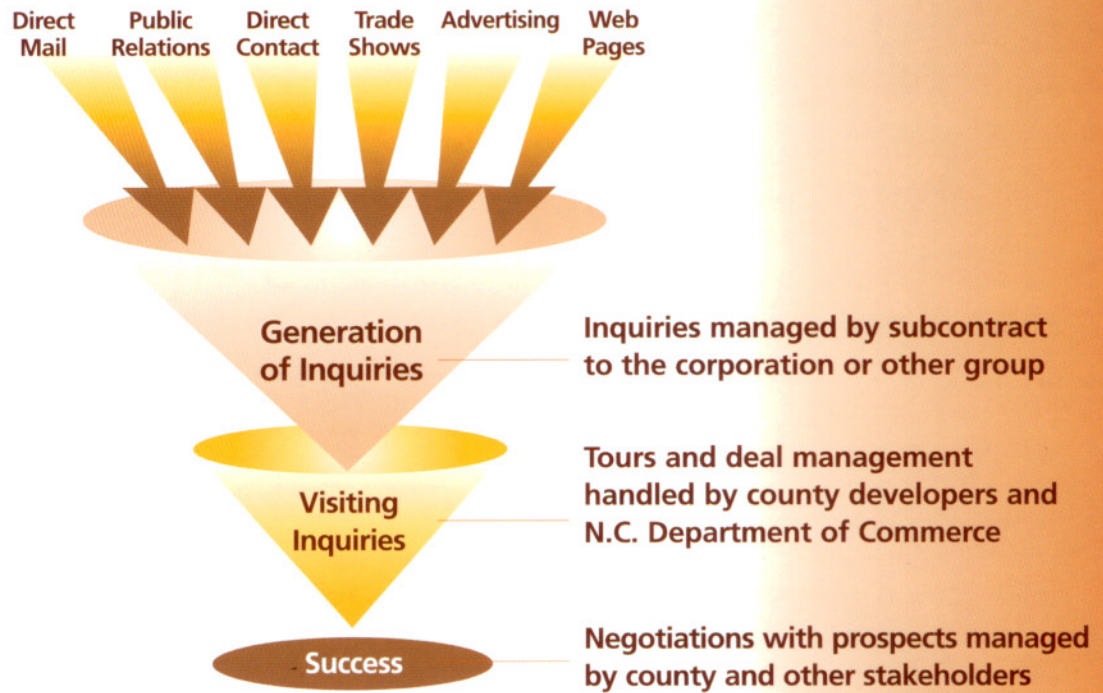
- Fully implement the marketing plan
 - Focus on business recruitment
 - Roll out national press and brand promotion
- Implement Hub business plan (including preliminary site development, land leveling, site design and construction of shell buildings, including specialty buildings for biotech and/or informatics needs)
- Develop infrastructure services to each site, including highways, water, wastewater, storm water and broadband
- Attract initial company and begin design and installation of customized infrastructure and enhancements
- Manage operations and maintenance

Years Three to Five: 2008–2011

- Develop and implement specialized communications campaign designed to expand the cluster of companies recruited and develop a strong culture of innovation and collaboration
- Continue to develop site plans following master land use plan in cooperation with companies
- Complete customized infrastructure within each site
- Manage operations and maintenance



Hub Marketing Process



Marketing and Image Enhancement

The Kerr-Tar Hub marketing plan is designed to promote the Kerr-Tar Region and the network of Hub sites in ways that enhance their image as a preferred and strategic business destination.

The Kerr-Tar Regional Economic Development Corporation will serve as the lead economic development organization promoting and marketing the advantages of locating businesses in the Hub sites.

The Corporation will execute an aggressive marketing campaign to include direct client contact, external and internal marketing and public relations.

Client targets include current Research Triangle Region businesses, cluster supply-chain companies, and mid-tech cluster targets in medical equipment, analytical instrumentation and bio-manufacturing;

The Corporation, through the assistance of a professional firm, will develop an ongoing public relations strategy to position the business advantages of the region and support business attraction efforts.

Professionally designed printed collateral material and an enhanced Web site will be developed to deliver regional economic development information and market the Hub sites.

Scorecard/M Measurement	2008	2009	2010	2011	2012
Product and Site Development					
Infrastructure & development completed					
# of buildings completed					
# of companies selected					
# of certified sites					
Existing Industry Program (includes entire region)					
# of local company visits					
# of support packages delivered					
# of financial packages delivered					
# of expansion projects completed					
# of expansion jobs created					
# of existing jobs retained					
\$ new capital investment					
New Business Recruitment					
Recruitment plan established					
# of recruitment visits					
# of companies located					
# of new jobs created					
Internal & External Marketing					
Web site					
Collateral materials					
# of trade shows and recruiting trips					

"This region's private sector must step forward to ensure success with this initiative."

**Bryan Pfohl, CEO
Carolina Sunrock**

Hub Funding and Budget **A Public-Private Partnership**

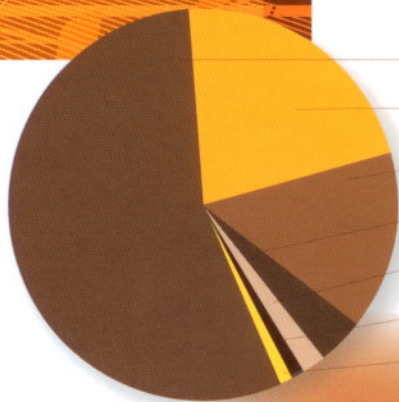
The Kerr-Tar Hub has attracted more than \$7 million in public and foundation funding due to its innovative model and regional approach to rural economic development.

Government and foundation grants are expected to continue carrying the lion's share of the Hub's development and operations in coming years.

Still, private-sector investment is critically important to the project's success and future. Funding from regional businesses will be used to market the project for investment by new companies and to stimulate existing business expansion and new business startups.

Private-sector support also provides tangible evidence of local commitment, which is important for both funders and prospective Hub companies.

Current Funding \$7,112,000



\$4,000,000	N.C. General Assembly
\$1,600,000	N.C. Department of Transportation
\$1,060,000	N.C. Department of Commerce
\$250,000	U.S. Economic Development Administration
\$110,000	Workforce Development Consortium
\$52,000	County Governments
\$40,000	Golden LEAF Foundation

Kerr-Tar Hub Budget 2006-2011

Year One: 2006–2007

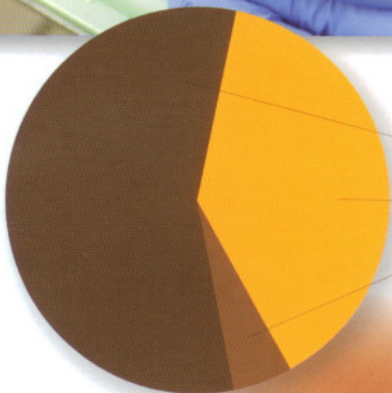
Complete Land Control	550,000
Financial Projections	25,000
Design Marketing Plan	20,000
Implement Marketing Plan – Phase 1	100,000
Develop Master Land Use Plan	98,000
Develop Hub Business Plan	30,000
Develop Site Infrastructure Plan	50,000
Maintenance and Operations	100,000
TOTAL	\$973,000

Year Two: 2007-2008

Implement Full Marketing Plan	
■ Company Visits and Materials	175,000
■ National Press and Brand Promotions	50,000
Implement Land Use Plans/ Develop Infrastructure to Sites	4,000,000
Maintenance and Operations	100,000
TOTAL	\$4,325,000

Years Three to Five: 2008–2011

Develop Specialized Marketing	200,000
Develop Sites and Infrastructure	11,615,000
Maintenance and Operation	150,000
TOTAL	\$11,965,000



Proposed Five-Year Funding 2006-2011: \$23,578,000

\$13,342,000	Government
\$9,111,000	Foundations and Grants
\$1,125,000	Private Sector

"The Kerr-Tar Hub project is the finest example of innovative regional economic development planning and cooperation in the United States today."

U.S. Commerce Secretary Donald Evans in a speech to the National Economic Development Conference, Washington, D.C., 2006

Invest in Success

Kerr-Tar Together is a five-year, \$1.125 million campaign to strengthen and enhance our region's ability to compete effectively for quality jobs and new capital investment.

This regional private-sector funding effort will allow the Kerr-Tar Regional Economic Development Corporation to implement a focused, proactive recruitment and marketing program to foster wealth creation in our region.

We have heard the saying that "a rising tide lifts all ships." Local business and community leaders believe that now is the time for all of the region's business sectors to contribute to their own economic well-being by financially supporting an enhanced strategy to strengthen the Kerr-Tar Region.

The Kerr-Tar Hub provides a way for business, government and community leaders and partners to work together to create new economic opportunity that will benefit us all.

To seize these opportunities, the community seeks broad sharing of financial support by representatives from these sectors of our economy:

Agriculture	Health Care	Transportation
Business Services	Manufacturers	Utilities
Construction	Real Estate	Wholesale Trade
Distributors	Retailers	
Financial Institutions	Service Providers	

Use of Private-Sector Funds

Marketing & Promotion	94%
Land Design & Acquisition	3%
Administrative Costs	3%

A Mutually Beneficial Partnership

Investors in Kerr-Tar Together become part of a regional collaborative – a full partner in building the region's economic future.

The Investor Relations Program seeks to make every private-sector financial supporter an integral part of the Kerr-Tar Hub initiative by providing regular opportunities for communication, recognition and feedback.

Investor Contacts

One-on-one meetings and contacts between investors and Hub officials and administrators offer opportunities to ask questions, understand strategic activities and contribute ideas for ensuring the success of the Hub project.

Annual Meetings

The Kerr-Tar Regional Economic Development Corporation annually hosts a public event to report on progress toward achieving Hub goals and highlight the contributions of investors.

Hub Updates

Regular communications, electronic and print, keep investors up-to-date on developments and results of Hub strategies.

Web Site Links

Investors in the Kerr-Tar Hub may be listed on the Kerr-Tar Web site with links to their organizations' Web sites.

Special Events

Investors get priority notification of any Hub special events involving public and private-sector leaders.

Business Referrals

Investors often meet with new business prospects who visit the area. Hub officials refer decision makers of prospective companies to investor businesses.

Investor Directory

Investors are listed in a printed directory that is provided to Hub companies and prospects.



High Return on Investment

Private-sector partners can expect a high return on their investment in the Hub in the form of:

- **Growth companies with high-paying jobs that locate in the Hub and other commercial locations in our region.**
- **New business for existing vendors and service providers.**
- **Opportunities for new businesses to launch and grow.**
- **Jobs closer to home for residents.**
- **New workers and residents relocating and spending discretionary dollars in the region.**
- **Increased tax revenues for our counties.**



Kerr-Tar Hub Organization and Board

The Kerr-Tar Hub is owned and managed by the Kerr-Tar Regional Economic Development Corporation, a 501(c)(3) corporation formed for this purpose.

The Kerr-Tar Regional Council of Governments serves as administrator, under a contract with the corporation.

Board members for the corporation include business and elected leaders from the four member counties – Franklin, Granville, Vance and Warren. The board provides oversight and strategic direction to ensure that the Hub is developed in ways that benefit each of the member counties and the region as a whole.

Kerr-Tar Hub Board of Directors

Danny Wright, Chairman
Vance County Commissioner
(Vance County)

Donald C. Lancaster, Vice Chairman
Senior Vice President/Franklin County Market Executive
Union Bank & Trust Co.
Franklin County Commissioner
(Franklin County)

W. E. Averette, Secretary
Granville County Commissioner
(Granville County)

Clinton G. Alston, Treasurer
Warren County Commissioner
(Warren County)

John Alston
President
A&S Pest Control, Inc.
(Warren County)

Robert Fleming
Vice President and Legal Counsel
Barnett Properties, LLC
(Vance County)

Ernest Fleming
Vice President
Oakley Hall Antiques & Art, Inc.
Warren County Commissioner
(Warren County)

Stan Fox
Fox and Associates
(Granville County)

Billy Ray Hall
President
North Carolina Rural Economic Development Center
(At Large)

Shane Mitchell
President
Mitchell Hardware, Inc.
(Franklin County)

Bryan Pfohl
CEO
Carolina Sunrock
(Granville County)

Abdul Rasheed
CEO
North Carolina Community Development Initiative
(Vance County)

Keith Smith
President
Pete Smith Automotive Group
(Franklin County)