



**January 21, 2010**

**Southern Business & Development Magazine Covers  
Triangle North Project**

As most readers of this newsletter know, the law firm of Nexsen Pruet has a close relationship to Sanford Holshouser Economic Development Consulting. This is largely due to the fact that Ernie Pearson is a partner in both the law firm and Sanford Holshouser.

Below is a copy of an article published by Southern Business & Development magazine, which was written by Ernie Pearson. It describes the process of structuring a highly successful four county multi-jurisdictional business park project known as Triangle North. Multi-jurisdictional, or revenue sharing, parks are an innovative way to leverage resources to create a substantially superior product.

Sanford Holshouser Economic Development Consulting had substantial involvement in the Triangle North project as well. Sanford Holshouser was retained to evaluate the proposed business park sites in the four counties; to rank the proposed sites as to priorities for development; and to obtain state certification for all of the sites.

After this work was completed, Ernie Pearson took a lead role in negotiating and drafting the legal documents referred to in the article below.

After the four counties were joined together through a nonprofit corporation, Kerr-Tar Regional Economic Development Corporation, partners of Sanford Holshouser served as negotiating contacts with some of the property owners from whom property was to be acquired by the nonprofit corporation. This was in conjunction with Ernie Pearson's assistance on the legal side of working out land acquisition arrangements.

Having available highly experienced economic development legal assistance, to complement the economic development consulting work done by Sanford Holshouser, is another factor which distinguishes Sanford Holshouser Economic Development Consulting from any other economic development

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**Recent News**

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Sanford Holshouser completed a site assessment for the Town of **Fuquay-Varina, NC**. The assessment process included a review of infrastructure, development costs, and area competitor sites and business parks.

Sanford Holshouser will present the **Newton Market Research Study** at a City planning meeting in February. The study was sponsored by Electricities of N.C., Inc.

Implementation of the **Downtown Smithfield (VA) Revitalization Study** continues. A multi-organizational project team has been formed to address the economic and cultural viability of Smithfield

**Managing Partners**

consulting group.

Triangle North is an excellent project which will bring great economic development improvements for a part of North Carolina that seriously needs transformational economic development initiatives.

Sanford Holshouser was only a part of this process. This project's success is entirely due to great local leadership in the counties involved (both elected and appointed); that leadership's total commitment to seeing this project through to completion; and its openness to work out the details of the arrangement rather than falling back on egocentric desires.

Triangle North is a great example of what some of the neediest areas of any state can do if stakeholders will all work together.

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*Ernie Pearson*

### **Multi-County Economic Partnership Dream Comes to Fruition at Triangle North**

*By Ernie Pearson*

*(Editor's Note: [Ernie Pearson](#) and former N.C. Gov. [Jim Holshouser](#), both currently with the [Nexsen Pruet](#) law firm in Raleigh, coordinated the Triangle North site selection process and authored the process for certifying sites for evaluation and development.)*

This spring, [Triangle North](#) hosted a [launch event](#) in an effort to ask for "help identifying and attracting growing businesses to its parks." The project, previously known as the Kerr-Tar Hub, was conceived by an economic researcher at the University of North Carolina as a way to bring needed jobs and business to the rural communities near the Research Triangle. The area had primarily been a manufacturing economy until recently, when businesses closed or went overseas. This trend widened the gap between the urban and rural populations of the state in income, education and in employment.

The Kerr-Tar hub began as an idea to locate a network of several distinct, development-ready business parks in northern rural counties outside of the Research Triangle: Franklin, Granville, Person, Warren, and Vance. Each park would be developed with proximity to major highways, a varied workforce, medical facilities, and educational resources, and provide convenient access to a regional airport. They would also offer a more affordable per acre cost compared to the Research Triangle.

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Sanford Holshouser Economic Development Consulting is an innovative and growing economic development consulting firm that provides action planning, site selection services, and unique strategies to communities, organizations, and companies worldwide. Affiliated with Nexsen Pruet law firm, we are proud to continue the legacy of integrity and leadership, and to further the visionary economic development ideas of the firm's founders, former US Senator and North Carolina Governor, Terry Sanford and former North Carolina Governor, Jim Holshouser.

In September 2005, an interlocal agreement (ILA) among the counties was presented; it would provide governance and funding for development and marketing of the large acreage certified industrial sites. Franklin, Granville, Warren, and Vance counties signed the agreement in December 2005. As a result of the ILA, the counties agreed to equally split the costs of developing infrastructure for the parks as well as the tax revenues generated when companies located in one of the parks. Person County dropped out of the regional agreement.

Of four recommendations, the board chose the formation of a non-profit entity, the Kerr-Tar Regional Economic Development Corporation, to own and govern the hub. This would allow the development to move forward briskly with the fewest barriers to government and private funding.

Once the non-profit corporation was formed in December 2005, the wheels started turning quickly. A necessary first step was appointing a board. It was suggested that this entity consist of one County Commissioner each from Franklin, Granville, Vance, and Warren counties; two private sector individuals from each of these four counties; and three at large appointees.

Financial incentives and deals for development needed to be finalized up front to solidify county and state commitments to the project. Originally, two of the four counties were designated Tier I zones, and one was designated as a Tier II county; and one was designated as a Tier III County. (A Tier I zone is a county identified by the state as one of 40 of the most distressed economically; 40 counties are identified as Tier II, meaning they are distressed; and the remaining 20 counties in the state are identified as Tier III, or least distressed.) The combination of the sites by legislation which was enacted as a part of, the Title 3J tax credit law, are now qualified as Tier I sites and thereby qualify for the highest level of state incentives, e.g., state tax benefits of \$12,500 per job (Tier 1 credit).

We worked with the local leadership in obtaining two statutory amendments and an appropriation of \$4 million for land acquisition to support the project. During land acquisition and site selection, four locations were eventually chosen as having the most potential for development, good location, infrastructure, and available acreage. In February 2008 when the final parcels were purchased, the Kerr-Tar hub changed its name to Triangle North.

The four parks are:

·Triangle North Franklin: best suited for high-tech and aviation services due to proximity to Triangle North Executive Airport;

·Triangle North Granville: best suited for life sciences and technology, with Interstate 85 frontage and proximity to Vance-Granville Community College;

·Triangle North Vance: flexible sites for offices, mid-tech business and manufacturing off I-85 and across from Vance-Granville Community College; and

·Triangle North Warren: best suited for distribution, logistics and manufacturing due to its large acreage and proximity to major transportation routes.

The addition of light manufacturing, research and development, and technology-oriented companies could bring over 8,000 jobs to the North Triangle area. The four parks offer several types of certified building sites, shell buildings, and over 2,000 acres of land for companies that can't afford to grow in the Research Triangle because of a lack of space and high land costs.

The project became an example of how well cooperation between two or more local governments can work to further economic development in the state.

This project was recognized by the former US Secretary of Commerce as the best example of regional cooperation in the country. It has been recognized by various other awards and honorable mentions. The example set forth by the Triangle North development company will allow similar results in other areas of North Carolina. The counties and the state were committed to making the deal work, and a lot of compromise and hard work went into drafting the ILA, forming the non-profit board, and working out the details. Triangle North holds great potential for a very rural and depressed area of the state, and over time that potential will translate to new jobs and investment for North Carolinians.

*Ernest C. Pearson practices in Nexsen Pruet's Banking and Finance Group, focusing on areas that include corporate law, international law, public finance, commercial real estate, and economic development.*

*From 1989 to 1993, Mr. Pearson served as assistant*

*secretary of economic development for the North Carolina  
Department of Commerce.*

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