

Pride of Kinston, Inc.
Report to the board of Directors
Fiscal Year 2007-2008

As Pride of Kinston's FY 2007-2008 was winding down the community received stunning news that three major corporations had decided to invest, collectively, nearly \$1 billion to facilities and creating 2,835 jobs over the next six years.

Announcing their plans were:

- April 25, 2008: Sanderson Farms* \$126.5 Million 1,600 jobs
- May 14, 2008: Spirit AeroSystems \$570.5 Million 1,031 jobs
- June 20, 2008: Reliance Industries** \$215 Million 204 jobs

Average annual wages, with benefits, at Spirit AeroSystems will be nearly double the average Lenoir County wage of \$27,040. Sanderson Farms reported it will pay an average of more than \$10 an hour, compared to the minimum wage of \$6.55 an hour.

Almost like icing on the cake, the North Carolina General Assembly to voted appropriate \$2.9 million, added to the \$530,000 already approved, to fund Phase I of the long-proposed Civil War Museum on Queen Street. Patience and persistence by members of the Gunboat Association, local and regional legislators, and other friends is finally paying off.

Lenoir County's experiences in the Civil War form one of the most intriguing aspects of our history, attracting history buffs and tourists from around the world. Very soon, we will host an institution that will better inform local people and visitors about that historic era.

Further evidence that downtown is "on the move" was the Pride survey in the Fall of 2007 which highlighted \$3 million in investments being spent by local entrepreneurs for new businesses and operations in downtown.

Within the past year (July 2007- June 2008), four new businesses opened on Herritage Street: Adriana's, Barbaros, J.D. Lewis Antiques and Salon Steven.

Right around the corner, construction began on The Folded Napkin on North Street soon to open. And the owners of the popular Our Picnic Basket began planning for a new location on Herritage.

The new businesses joined the Broken Eagle Eatery, Parrott's Store, the Briary, Reflecting You Custom Glass and Mirror, Chef and the Farmer, Photographic Expressions, Riverside Bicycles and Outdoor Sports, Lovick's, Reynolds Seafood, the nearly complete CSS Neuse II to create a "shopping on Herritage" brand.

Façade Grants

Pride continued its support for business development and its concern for the appearance of downtown by awarding four façade grants during the year to businesses working to improve the exterior of their buildings:

• Adriana's, Inc.	222 N. Herritage Street	\$4,000.00
• Salon Steven	209 N. Herritage Street	\$4,000.00
• Sweet's Coffee Shop	311 N. Queen Street	\$ 980.00
• Lenoir Tire & Appliance	116 E. North Street	\$2,937.00

In another area relating to appearance, Pride has spent over the past 18 months approximately \$20,000.00, in partnership with the Caswell Center, to employ some 507 clients of the facility who have worked a total of 3,717 man hours to help us keep downtown streets and sidewalks clean and green.

Sharing concern for appearance, owners of the old 1903 building at Gordon and Queen Streets restored the structure to its original appearance to make way for a new photography studio; and TACC 9 local television began renovation of an old building to house a new production studio also on Queen Street.

A rebounding retail and business center, a downtown that looks great—naturally and physically-- healthy cultural centers which beckon tourists and residents alike, a river revitalized as an economic generator: these are the magnum targets of our near future.

Spirit AeroSystems, the very real prospects for a new Civil War Museum, other corporations which have cast their lot with Kinston's future, plus investments by local entrepreneurs in an array of locally-based corporations represent not only new jobs but a totally new spirit for our work!

Equivalent to an economic earthquake, announcements of the three mega-investments give new urgency to the work of Pride of Kinston, its strategies and plans to make downtown an inviting destination for streams of new residents and visitors.

The Past Year

Pride's fiscal year 2007-2008 was a year of continued growth in community and individual support for Pride's work, direction and philosophy: ***It takes a whole town to care for downtown.***

For example:

(a) Pride earned the support of hundreds of cheerful volunteers who signed up for Pride's many activities:

- Nearly 150 came downtown twice during the year to help with our Downtown Clean Up days Oct. 6, 2007 and April 19, 2008. It was especially pleasing to see so many teenagers taking part;
- We had nearly as many volunteers (160) for the Run for the River 8K race as we had runners who completed the run (186) March 29, 2008;
- Erasing the Lines sent two teams June 24-25, 2008 totaling 14 young people who volunteered to repaint the trash receptacles and benches along Queen Street;
- The Sand in the Streets outdoor concert series are reliant upon the 12-15 volunteers who show up at each concert to help out. The 2007-2008 concert year brought these performers to downtown Kinston:
 - **July 12, 2007:** **Super Grit Cowboy Band**
 - **July 26, 2007:** **Band of Oz**
 - **August 9, 2007:** **Craig Woolard**
 - **August 23, 2007:** **Mustang Sally**
 - **September 6, 2007:** **Dick Knight**
 - **September 27, 2007:** **The Embers**
 - **June 12, 2008:** **Chairman of the Board**
 - **June 26, 2008:** **Jackie Gore & Legends of Beach**

Another notable event spurred by Pride was the first **Holly Day Celebration** held Nov. 27, 2007 to jumpstart the holiday shopping season. Pride assembled a coalition of several downtown organizations (**Community Council for the Arts, Neuse Regional Library, Kinston-Lenoir Chamber of Commerce, Lenoir County, City of Kinston (including Parks and Recreation), Gordon Street Christian Church and the Queen Street Methodist Church**) to light the first community Christmas tree and to symbolically kick off holiday buying.

Pride's 3rd annual Run for the River, held March 29, 2008, did its job to bring people from throughout North Carolina to downtown Kinston. To illustrate, the top 11 male runners all came from somewhere else, with the top three hailing from Raleigh, Boone and Wrightsville Beach. Top female runner came from Clayton.

- Of special note about our volunteers, we saw the emergence of a new and younger breed of community volunteer during the year stepping up to take
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the place of earlier generations in terms of leadership. . . .a constant need in any community.

- And our volunteer cadre includes the 22 members of Pride's Board of Directors and an additional 19 individuals from the community who serve on the Board's six committees.

(b) We noted growth in sponsorships provided by businesses, the medical community, law firms and individuals for Sand in the Streets and Run for the River.

Since January 2008, Pride collected nearly \$30,000.00 in sponsorships for these two special events. . .and when you add in the earned income from these two events since July 1, 2007, they have yielded nearly \$50,000.00 for Pride's budget.

(c) The Round Up Program—whereby citizens voluntarily agree to “round up” their monthly utility bills to the next whole dollar—has signed up more than 550 participants . . .and they keep on coming. . .thanks to the energy and support of the Mayor, members of the City Council, and to the staff of Kinston's utilities department.

In terms of partners, moreover, I need to acknowledge the on going interest and support for Pride among the various departments and agencies of Kinston's City Government: Public Services, Public Safety, the Administration, the City Council and the Mayor.

It has been a busy and productive period for downtown, and for Pride.....laying the groundwork for even greater advances in the coming year in a new environment of hope and aspiration.

These industrial decisions, however, bring not only new dollars and jobs, they also offer new and challenging opportunities: we need to plan better, we need to raise the *barre* on our own expectations, and need to meet our new neighbors with positive and inviting attitudes. I predict that 10 years from now, life in Kinston will be far different.

Bottom line: Kinston and Lenoir county have stepped resolutely into the midst of an international economy. The airplane parts to be manufactured by Spirit AeroSystems in Kinston will be transported to France to be used in building a major airliner.

BUDGET: Our budget is in good order as we continue an excellent trend: spending less than we take in. We budgeted income and expenses for the year at \$421,197. As of June 15, 2008 actual revenues exceeded \$489,436 while expenses stood at \$383,021. This is skewed somewhat by Property Development's decision to hoard

most of its 2007-2008 income to spend in 2008-2009 on new parking facilities for the Community Health Center and adjacent businesses.

The proposed 2008-2009 budget for \$491,647.00 continues to illustrate that the marketing and promotions budget remains standout opportunity to grow local support: the earned income budget for special projects like the Run for the River and the Sand in the Streets concert series was set at \$24,000 but the actual income through June 15, 2008 stands at \$48,700. In this same report last year this time, I reported that Marketing and Promotions had collected \$24,000 in earned and donated revenue and again, mainly due to the popularity of Sand in the Streets and the Kinston 8000 Run for the River race in March.

NEW YEAR: While the 2008-2009 budget does require that we—like our partner the City of Kinston—utilize a percentage of our fund balance, or if you please, our investment fund, we will begin the 2008-2009 fiscal year with an estimated \$125,000 in our fund balance.

Conclusion

This report captures only some of the many activities and opportunities encountered during 2007-2008 by the Pride of Kinston, its board and its management. We are at work in a community that is continually renewing itself.

The best is yet to come for Kinston and Lenoir County, and Pride stands ready to do its part.

Adrian King
Executive Director
June 15, 2008

* Sanderson Farms, due to market conditions, subsequently postponed its plans but at last report remains committed to building its Kinston facilities.

**Subsequent to this report, Reliance Industries announced that its plan to come to Kinston was not being pursued.