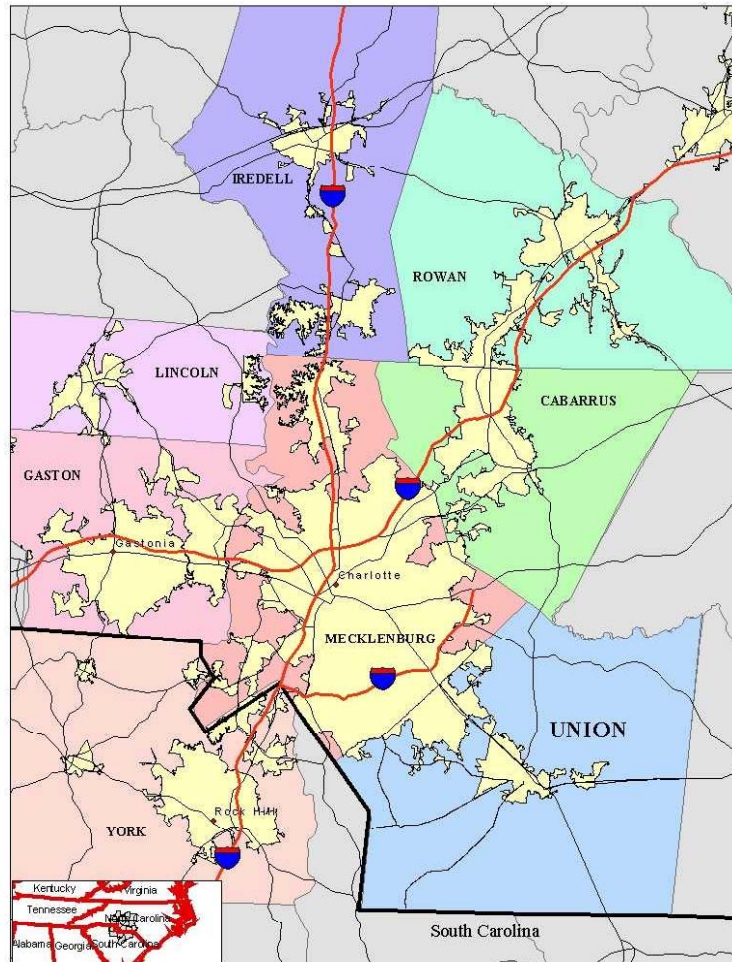


## Geographic Location

Union County was formed in 1842 and was so named because it was created from parts of two other counties. Located in the south central portion of the Piedmont region, the County contains approximately 643 square miles. Contributing to the County's growth is its proximity to the County of Charlotte and Mecklenburg County, which contain the largest population in the State and comprise the major urban center of North Carolina's piedmont crescent.

The completion of the southern portion of Interstate 485 from Interstate 77 to U.S. Highway 74 along with the projected completion of the final leg of Interstate 485 to Interstate 85 have also contributed to Union County's position as the State's fastest growing county.



# Union at a Glance

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## Demographic Characteristics

Population – 139,600 (2002 Census Est.)  
 Median Age – 34.0 (2000 Census)  
 Median Education – 28.5% residents with 2 or more years of college (2000 Census)  
 Median Household Income - \$50,638  
 (2<sup>nd</sup> highest in State beyond Wake County)  
 Highest average residential market sales in Charlotte MSA @ \$235,722 (Realtors Association)

## Climate

Average Annual Rainfall – 47.93 inches  
 Average Annual Snowfall – 4.0 inches  
 Average Daily Temperature  
 January 41° (F)  
 July - 79° (F)  
 October - 61° (F)  
 Annual - 61° (F)

## Economy/Employment

Rates of Unemployment (December 2002)  
 Union County – 5.0%  
 North Carolina – 5.7%  
 United States – 5.7%

### Building Construction

<u>Year</u>	<u># of Permits</u>	<u>\$ Value</u>
2000	3,327	349M
2001	3,677	435M
2002	3,341	322M
2003*	3,628	421M

\*estimate

## Major Employers (# of employees)

Union County Schools (2,800)  
 Tyson Foods, Inc. (1,325)  
 Teledyne Allvac (1,075)  
 Pilgrim's Pride (1,050)  
 County of Union (890)  
 Union Regional Medical Center (890)  
 Jungle Aviation and Radio Service (700)  
 Charlotte Pipe & Foundry (675)  
 Consolidated Metco (655)  
 City of Monroe (500)  
 Square D Co. (485)

## County's ten largest taxpayers:

<u>Name</u>	<u>Type of Enterprise</u>	<u>Assessed Valuation FY 2001</u>	<u>% of Total Valuation</u>
Charlotte Pipe & Foundry Company	Plastics	106,081,827	1.12%
Teledyne	Metals	60,886,203	0.64%
Union Electric Membership Corp.	Utility	51,943,134	0.55%
Duke Power Company	Utility	50,893,566	0.54%
Verizon South, Inc.	Utility	41,816,990	0.44%
Tyson Foods / Holly Farms	Poultry	37,020,295	0.39%
Alltel Carolina Inc.	Utility	33,443,706	0.35%
Parkdale America, LLC	Textiles	28,497,796	0.30%
Boren Clay Products Company	Bricks	25,841,397	0.27%
Harris Teeter	Distribution of Food	25,164,614	0.27%
		461,589,528	4.87%
Total county-wide assessed valuation		\$9,477,686,944	

The County operates water and sewer utilities serving approximately 23,000 water customers and 13,000 sewer customers in the County.

### **Organization and Management**

The Water and Sewer System functions as an administrative department of the County. The County's governing Board of County Commissioners (the "Board") appoints a County Manager to serve as the County's chief executive officer. The County Manager serves at the Board's pleasure, implements its policies, directs its business and administrative procedures and appoints department heads, including the County's Department of Public Works ("Public Works") Director and Finance Director.

*Mike Shalati* has served as the County Manager since January 2001. From 1999 to 2001, he managed and directed the regional practices of two global engineering design firms (URS Corporation and ARCADIS G&M, Inc.) in the areas of water, sewer, solid waste and storm water resources. Prior to 1999, Mr. Shalati served as the Union County Public Works Director (1988-1999) and Engineering Coordinator for the City of Monroe (1984-1988). He received his Bachelor of Science degree in Urban Environmental Engineering (Civil Engineering) in August 1983 from The University of North Carolina at Charlotte and an Executive Masters in Business Administration in 1994 from Queens College, Charlotte, North Carolina.

*Jon Dyer*, a registered professional engineer, has served as the County's Public Works Director since 1999. Prior to 1999, Mr. Dyer was employed by several national and regional engineering firms (HDR Engineering, Inc.; Labat-Anderson; Post Buckley, Schuh & Jernigan; Gee & Jenson, Inc.; Conser Townsend

Environmental Technology Consultant, Inc.) where he was the senior manager, project engineer and technical advisor on numerous water, sewer, industrial pretreatment, water reuse and storm water projects, both domestically and internationally. He received his Bachelor of Science degree in Civil Engineering in 1963 and a Masters in Sanitary Engineering in 1966 from Virginia Polytechnic Institute.

*Kai Nelson* has served as Finance Director of the County since May 2002. His work history in the public sector includes serving as finance director for Fayetteville, North Carolina (1990-1998), Kinston, North Carolina (1986-1990), New Bern, North Carolina (1983-1986) and Moore County, North Carolina (1981-1983). From 1998-2000, he served as an investment banker for BB&T Capital Markets and managed investment banking services for public sector entities and not-for-profit corporations in North Carolina. Mr. Nelson returned to Fayetteville in 2000 until his departure in 2002 and was responsible for coordinating the relationship with the city-owned electric, water and sewer utility. Mr. Nelson received a Bachelor of Arts degree in Politics and History from Wake Forest University in 1978 and a Masters of Arts in Political Science with emphasis in Public Finance from Appalachian State University in 1981.

The Water and Sewer System is under the administrative responsibility of Public Works. Public Works consists of three divisions; water, sewer and solid waste. Public Works employs 102 persons, 88 of which are in the water and sewer divisions.

The Board of County Commissioners sets rates for all utilities. No State or other authority regulates the County's utility rates.

# Water and Sewer System

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## General

The Water and Sewer System presently serves an aggregate of approximately 23,000 water and 13,000 sewer customers.

The County is located along the North Carolina/South Carolina state line southeast of the City of Charlotte and Mecklenburg County. Water and sewer service needs are increasing in the County, in large part due to its proximity to the City of Charlotte and Mecklenburg County and the presence of a strong transportation network which includes US 601, US 74, the CSX railroad and I-485 Charlotte Outer Belt.

**The Water System.** The County's water system has grown in recent years to provide water service to a significant portion of the County, including all major urbanized areas except the City of Monroe. Water service is provided to the communities of Indian Trail, Stallings, Waxhaw, Wingate, Weddington, Wesley Chapel, Fairview, Hemby Bridge and large areas of low density land use. The water system has approximately 23,000 customers.

The 2002 population of the County was approximately 136,000. Of that population, approximately 59,500 people, or 44% of the total population, are served by the County water system. The City of Monroe separately serves approximately 27,846 people or 20% of the population. The County's water customers use a total of 7.3 million gallons per day ("MGD"), or approximately 123 gallons per capita per day ("GPCD"). If the consumption of the largest industrial user is subtracted from the total use, the daily per capita use is 121 GPCD.

The following table summarizes the water usage from each of the three current sources. The Catawba River Water

Treatment Plant ("Catawba WTP") source includes a small percentage of use outside of the County. The City of Monroe water source includes only the County's portion of water consumption.

## 2002 County System Water Use (MGD)

<u>Source</u>	<u>Average Day</u>	<u>Maximum Day</u>	<u>Peak Hour</u>
Catawba WTP	6.31	9.90	10.00
Anson County	0.95	1.11	1.96
City of Monroe	<u>0.04</u>	<u>N/A</u>	<u>N/A</u>
Total MGD	7.30	11.01	10.00

The primary water suppliers are the Catawba WTP and the Anson County, North Carolina water system. The County and the Lancaster County (South Carolina) Water and Sewer District have jointly developed the Catawba WTP in South Carolina. The Catawba WTP has a treatment capacity of 18.0 MGD and started production in April 1993. Each entity is entitled to 50% of capacity ( 9.0 MGD), and each has rights to future expansions up to the total permitted 20.0 MGD. An expansion project is currently underway to increase the capacity of the Catawba WTP from 18 MGD to 36 MGD to accommodate the rapid growth the County's water system. This water resource will serve to solve water supply problems in the high growth area of western Union County. The Catawba WTP is providing high quality water which meets all drinking water standards.

The Anson County water system provides water to the Marshville/Wingate area. Anson County has a twenty-year agreement with the County, which expires in 2012, to provide 4.0 MGD to the County. The County must purchase a minimum of 1.0 MGD pursuant to that agreement. Water is supplied from the

# Water and Sewer System

City of Monroe on an as needed and emergency supply basis pursuant to an agreement whereby the City of Monroe agrees to provide up to 3.0 MGD to the County; however, no minimum purchases are stipulated.

The existing County water main network contains pipes as small as 2 inches in diameter, but is primarily comprised of 6 inch to 24 inch diameter mains. There are approximately 91 miles of 2 inch, 173 miles of 6 inch, 227 miles of 8 inch, 36 miles of 12 inch, 40 miles of 16 inch, and 26 miles of 24 inch diameter water mains. The water system is composed of approximately 10% asbestos-cement pipe, 70% poly vinyl chloride pipe ("PVC"), and 20% cast iron and ductile iron pipe. The County currently specifies only PVC pipe and ductile iron pipe for its distribution water main system. The majority of the water main system is less than 20 years old. With the expansion of the Catawba WTP, the County is expanding its water transmission from that plant to the southwestern part of the County with the construction of a 42 inch water line. The 42 inch transmission line project, as well as the construction of a second storage tank, will provide the western part of the County with improved water distribution capabilities to accommodate the growth.

Total existing water storage is as follows:

### Water Storage Capacity

<u>Tank</u>	<u>Type</u>	<u>Overflow Elevation (Ft)</u>	<u>Capacity (Mg)</u>
Sims	Ground	825	2.00
Stallings	Elevated	853	1.00
Indian Trail	Elevated	853	0.20
US 74 East	Elevated	763	1.00
Austin Rd	Elevated	853	0.30
Northwest	Elevated	853	<u>1.00</u>
Total			5.50

**Sanitary Sewer System.** Union County's sewer system is growing rapidly and currently serves over 13,000 customers. Union County's sewer collection and treatment system currently consists of over 350 miles of pipe, approximately 60 sewer lift stations and 6 sewer treatment facilities. The collection system piping is comprised of both gravity and force mains with pipe diameters ranging from 4 inches to 48 inches. Sewer pump stations range in size from 2HP to 250HP and pump capacity from 10 gallons per minute ("GPM") to 3000 GPM. The sewer treatment facilities range in size from .05 MGD to 2.5 MGD, providing a total treatment capacity of 4.9 MGD. In addition to the current 4.9 MGD of sewer treatment capacity, the County has 1.95 MGD and 3.0 MGD contracted capacity in the City of Monroe's wastewater treatment plant ("WWTP") and Charlotte Mecklenburg Utility's McAlpine Creek WWTP, respectively.

### **2002 County System Sewer Treatment (MGD)**

<i>Facility</i>	<i>Average Day Flow</i>	<i>Permitted Capacity</i>
County (6 facilities)	2.49	4.90
Charlotte/Mecklenburg Utility	0.30	1.00
City of Monroe	1.45	1.95
	4.24	7.85

The County has an aggressive sewer system maintenance program. Collection system mechanics are grouped into 5 crews. These crews are assigned to 1) pump station maintenance 2) tap and repair 3) inflow and infiltration identification/reduction 4) right-of-way maintenance and 5) line maintenance. Public Works is in the process of creating a geographic information systems based

# Water and Sewer System

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map of the collection system that will also serve as an advanced hydraulic model.

The County's newest sewer treatment plant, the Twelve Mile Creek Sewer Reclamation Facility, was placed on-line in December 1997. The facility is currently rated at 2.5 MGD of treatment capacity and utilizes biological nutrient removal technology. Engineering plans to expand the facility to 6 MGD are approximately 90% complete. Expansion of the plant is included in the County's 5 year CIP. A laboratory expansion and the addition of an ultraviolet disinfection system are among upgrades under design for the 1.9 MGD Crooked Creek Sewer Reclamation Facility. Public Works currently has 5 North Carolina Grade IV and 1 Grade II Biological Treatment Plant Operators to oversee the operation and maintenance of the treatment facilities.

## Rates and Charges

The County's rate structure includes customer connection fees and monthly service charges as follows:

- **One-Time Connection Fees** for new customers of the system, including:
  - ~ **Capacity Fees** assessed to recover the capital costs of providing capacity for the new customer; and
  - ~ **Tap Fees** when the County makes the physical connection to the water distribution and sewer connection lines.
- **Monthly Service Charges** for all customers, including:
  - ~ **Base Facility Charges** based on meter size; and
  - ~ **Volume Charges** based on all metered water usage.

Capacity fees are intended to recover the proportional cost of the Water and Sewer System's treatment and transmission facilities and are imposed on all new customers in relation to the potential

demand each new customer places on the Water and Sewer System.

Capacity fees are currently imposed in accordance with the following schedule:

### Capacity Fees

<u>Meter Size</u>	<u>Water Fee</u>	<u>Sewer Fee</u>
¾"	\$ 500	\$ 2,650
1"	1,250	6,675
1½"	2,500	13,275
2"	4,000	21,225
3"	11,250	59,725
4"	25,050	132,725
6"	35,050	185,825

A tap fee recovers the cost of the lateral connection for water and sewer service. These fees are imposed whenever the County makes the connection to the Water or Sewer System, but are waived when the developer makes the connection.

Tap fees are currently imposed in accordance with the following schedule:

### Tap Fees

<u>Meter Size</u>	<u>Water</u>		<u>Sewer</u>	
	<u>Fee</u>	<u>Line Size</u>	<u>Fee</u>	
¾"	\$ 400	4"	\$ 630	
1"	525	6"	825	
1½"	2,600	> 6"	Cost	
>1½"	Cost			

The County imposes a monthly base facility charge with no minimum usage allowance in order to recover a portion of fixed costs. The monthly base facility charges are currently imposed in accordance with the following schedule:

# Water and Sewer System

## Monthly Base Facility Charges

<u>Meter Size</u>	<u>Water Charge</u>	<u>Sewer Charge</u>
3/4"	\$ 5.00	\$ 9.25
1"	12.60	23.31
1 1/2"	25.05	46.34
2"	40.05	74.09
3"	112.70	208.50
4"	250.45	463.33
6"	350.60	648.61

The County currently utilizes a single water and sewer rate structure for all volume charges. For water, a uniform volume-charge rate of \$2.45 per 1,000 gallons of metered water usage is imposed. For sewer, a uniform volume-charge rate of \$3.30 per 1,000 gallons of metered water usage is imposed. The County has implemented a policy of capping sewer volume charges at 14,000 gallons per month for residential customers on 3/4" meters during the irrigation months of the year.

The County has no mandatory connection requirements. Substantially all developed areas within the County have water service available.

## Number of Customers

The following table provides information on the number of active water and sewer service connections at the end of each of the last five fiscal years.

<u>Fiscal Year Ending June 30,</u>	<u>Number Of Active Sewer Accounts</u>	<u>Number Of Active Water Accounts</u>
1998	7,930	14,887
1999	8,416	16,160
2000	10,229	18,632
2001	10,908	19,906
2002	12,173	20,844

## Major Users

The following table presents information on the ten largest users of the County's water and sewer utilities during the fiscal year ended June 30, 2002. There have been no substantial new users added to the system since June 30, 2002, nor has there been any substantial change in the usage patterns of the following customers.

<u>Water</u>		
<u>Customer</u>	<u>Annual Revenues</u>	<u>Percentage of Total Water Revenues</u>
Pilgrim's Pride	\$761,997	10.3%
Town of Wingate	122,585	1.7
Parkdale Mills	93,962	1.3
Harris Teeter	17,988	0.2
Concrete Supply	17,903	0.2
Union County Jail	16,096	0.2
Genwove US Limited	16,056	0.2
Weddington Elementary	13,699	0.2
Berry Tri Plas Corp	11,438	0.2
AEP Industries	10,767	0.1
Total	\$1,082,491	14.7%

The County represents the only available source of water supply for Pilgrim's Pride and the Town of Wingate. As a municipal customer, Wingate's customer base is well diversified and consists of mainly residential and smaller commercial customers. Pilgrim's Pride is a well established poultry processing facility that has recently indicated its intention to expand the Union County operation.

# Water and Sewer System

<u>Customer</u>	<u>Sewer</u>	
	<u>Annual Revenues</u>	<u>Percentage of Total Sewer Revenues</u>
Pilgrim's Pride	\$471,815	8.2%
Town of Wingate	168,013	2.9
Town of Marshville	165,114	2.9
Radiator Specialty	64,437	1.1
Town & Country Estates	28,271	0.5
Harris Teeter	26,742	0.5
JAAR'S	24,785	0.4
Union County Jail	23,192	0.4
Weddington Elementary	19,092	0.3
Berry Tri Plas Corp	15,675	0.3
<b>Total</b>	<b>\$1,007,136</b>	<b>17.6%</b>

Pilgrim's Pride, the Town of Wingate and the Town of Marshville have contractual agreements with the County to use part of the County's 1.95 MGD of reserved capacity at the Monroe Wastewater Treatment Plant. The agreements require each party to pay its share, as defined in the agreements, of the capital cost for the reserved capacity. If the proposed expansion of the Pilgrim's Pride facility causes these three entities to elect to use other wastewater treatment options, they would still be obligated to pay their contractual portion of the capital costs,

and the County would be able to use its reserved capacity in other ways, such as for the growing retail demand.

## Billing and Collection Procedures

The County reads customer service meters each month and mails bills in four separate cycles throughout each month. Public Works is responsible for all billing, and the County's Tax Administrator is responsible for all collections. Bills are due the date of the bill and are considered past due 21 calendar days after the bill date. Customer's service is thereafter subject to interruption on notice of at least fifteen business days.

## Budget Procedures

Operating and capital budgets for the Enterprise Systems are formulated in the same manner as other County departments. The Public Works Director prepares an initial budget request. The County Manager reviews, and may revise, the submitted budget request and incorporates the request into the overall budget submitted to the Board of Commissioners for its consideration.

## History of Rate Increases

The following table provides information on water and sewer rate increases since July 1, 1997.

<i>Effective Date</i>	Residential - 3/4" (5,000 Gal)		Commercial - 1 1/2" (50,000 Gal)		Industrial -3" (500,000 Gal)	
	<i>Water</i>	<i>Sewer</i>	<i>Water</i>	<i>Sewer</i>	<i>Water</i>	<i>Sewer</i>
7/1/97	0.00%	0.00%	0.48%	0.00%	2.87%	0.00%
7/1/98	0.00	0.00	0.48	0.00	2.79	0.00
7/1/99	-1.32	0.00	0.14	0.00	2.68	0.00
1/1/00	-3.20	0.00	-0.27	0.00	2.93	0.00
7/1/00	-4.96	0.00	0.07	0.00	6.84	0.00

## Demographic, Economic and Statistical Information

*General.* Union County was formed in 1842 and was so named because it was created from parts of two other counties. Located in the south central portion of the Piedmont region, the County contains approximately 643 square miles.

Contributing to the County's growth is its proximity to the County of Charlotte and Mecklenburg County, which contain the largest population in the State and comprise the major urban center of North Carolina's piedmont crescent. The completion of the southern portion of Interstate 485 from Interstate 77 to U.S. Highway 74 along with the projected completion of the final leg of Interstate 485 to Interstate 85 have also contributed to Union County's position as the State's fastest growing county.

*Population Statistics.* The United States Department of Commerce, Bureau of the Census, has recorded the population of the County to be as follows:

<u>1980</u>	<u>1990</u>	<u>2000</u>
70,436	84,210	123,677

More recent estimates of the County's population from the North Carolina Office of State Budget and Management are as follows:

<u>2001</u>	<u>2002</u>
132,086	136,056

Per capita income data for the County and the State are presented in the following table:

## Per Capita Income

<u>Year</u>	<u>County</u>	<u>State</u>
1996	\$19,978	\$22,350
1997	21,058	23,468
1998	22,454	24,661
1999	23,604	25,302
2000	24,356	26,882

Source: United States Department of Commerce, Bureau of Economic Analysis.

*Commerce and Industry.* The County's economy continues to perform well as measured by unemployment rates, labor force growth and median family income. The County continues to maintain lower unemployment rates (5% in December 2002) than the State (5.7% in December 2002) and the United States (5.7% in December 2002). The County's diverse economic base and the interdependence of the Charlotte-Gastonia-Rock Hill MSA are major factors in the County's economic strength. The County's labor force continues to reflect strong growth, with the December 2002 level approaching 64,000, representing an increase of approximately 2% from the previous year. Finally, according to the 2000 Census, the County's median family income of \$50,638 places it second among North Carolina's 100 counties, with only Wake County at \$54,988 having a higher median family income. Mecklenburg County placed third at \$50,579.

The following table lists the major manufacturing and nonmanufacturing employers in the County:

# The County

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## Major Employers

<u>Company</u>	<u>Approximate Number of Employees</u>
<i>Manufacturing:</i>	
Tyson Foods, Inc.	1325
Teledyne Allvac	1075
Pilgrim's Pride	1050
Charlotte Pipe & Foundry	675
Consolidated Metco	655
Square D Co.	485
<i>Nonmanufacturing:</i>	
Union County School Administrative Unit	2800
County of Union	890
Union Regional Medical Center	890
Jungle Aviation & Radio Svc.	700
City of Monroe	500

Source: Union County Economic Development Office, March 2003

Agriculture, once the primary industry in the County, remains a viable part of the local economy. In 2001, agribusiness represented a \$320 million local industry, with poultry, hogs, cattle, beef, eggs, soybeans, grains and cotton forming the major components of the industry. Tyson Foods, which processes chicken in a highly mechanized and technology-dependent production environment for distribution to supermarkets throughout the world, is the County's largest manufacturing employer.

Wingate University, a private liberal arts university with an enrollment of 1,300 students and located in eastern Union County, has invested \$6 million in a pharmacy school to fulfill an underserved need throughout North Carolina and South Carolina. The University School of Pharmacy opened its doors to its charter class in 2003.

The Monroe Regional Airport, located in western Union County, is growing to accommodate new industries and to make the community more attractive to office and manufacturing development. A runway expansion from 5,000 to 7,000 feet will accommodate 40-passenger regional jet traffic. Plans to construct a tower, enlarge the terminal, and schedule regular regional jet traffic will position the airport as a primary reliever for the Charlotte Douglas International Airport. The County's regional transportation linkage will be enhanced during the summer of 2003 with the initiation of daily express bus service from Monroe to uptown Charlotte on US 74, with stops in several urban communities adjoining the Union and Mecklenburg County lines.

The transportation improvements further enhance the development of the Monroe Corporate Center. The 500-acre business park, begun in 1996 by the City of Monroe, has attracted several corporate clients such as Greiner Bio-One, Scott Health & Safety, Coca-Cola Bottling Co., American Wick Drain Goulston Technologies and Coresco. Recent expansions and capital investments by local companies are reflected in the table below<sup>1</sup>:

<i>Company</i>	<i>Investment</i>
Schrader Bridgeport	\$ 25,000,000
Gold Signature Foods	24,275,000
Allvac	21,747,000
Greiner Bio-One	19,950,000
Con Metco	18,500,000
Goulston Technologies	11,600,000
Tyson Foods	7,350,000
Pilgrim's Pride (f/k/a Wampler Foods)	7,300,000
Charlotte Pipe	6,200,000
H-Power	6,000,000
American Wick Drain	5,500,000

<sup>1</sup> Table includes aggregate company investments of amounts equal to or greater than \$5,000,000 from 1998 through 2002. Source: Union County Economic Development

The County and the City of Monroe have established tax incentive programs to encourage industry to locate in the County. Several of the above-listed firms' expansions have benefited from those incentive programs.

Also contributing to the improving economic environment in the County is the Union Regional Medical Center (the "Medical Center"). The Medical Center recently completed a \$47 million, 78,000 square foot expansion which added a state-of-the-art two-story Outpatient Diagnostic and Treatment Pavilion, including a cancer treatment center and computerized axial tomographic scanner and magnetic resonance imaging services.

Total retail sales in the County for the most recent five fiscal years and for the five months ended November 30, 2002 are shown in the following table:

<u>Retail Sales</u>		
<i>Fiscal Year Ended June 30</i>	<i>Total Retail Sales</i>	<i>Increase Over Previous Year</i>
1998	\$1,113,199,483	1.0%
1999	1,207,717,660	8.5
2000	1,287,191,937	6.6
2001	1,368,710,687	6.3
2002	1,403,189,500	2.5
2003 (5 months)	594,205,000	- <sup>1</sup>

<sup>(1)</sup> Retail sales for the corresponding five-month period in fiscal year 2002 totaled \$594,343,449.

Source: North Carolina Department of Revenue, Sales and Use Tax Division.

The County's proximity to the Charlotte-Gastonia-Rock Hill MSA, combined with

improved accessibility afforded by Interstate 485, readily available undeveloped property and a low overlapping local property tax burden have contributed to strong demand for new housing. New housing construction and residential permits continue to grow, with fiscal year 2003 projected at over 3,300 units, which would be a 15% increase over fiscal year 2002. The Water and Sewer System is expected to have ample capacity for such growth because of the completion of the 2003 Projects.

The following table illustrates building activity in the County since 1998 as shown by the number of building permits issued and estimated value of the related construction for the past five fiscal years and for the eight months ended February 28, 2003:

### Building Activity

<i>Fiscal Year Ended June 30,</i>	<i>Total Value (in thousands)</i>
1998	\$252,012
1999	332,726
2000	349,006
2001 <sup>1</sup>	435,442
2002	358,173
2003 <sup>2</sup>	280,403

Source: County Department of Inspections.

<sup>1</sup> January 1, 2000, residential construction value is established by a standard schedule based on square footage, whereas prior to January 1, 2000, the permit holder supplied the County with an estimated value.

<sup>2</sup> Information shown is for the eight months ending February 28, 2003. Construction value for the corresponding eight-month period in fiscal year 2002 totaled approximately \$216,000 thousand.

# The County

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*Employment.* The North Carolina Employment Security Commission has estimated the percentage of unemployment in the County to be as follows:

## Unemployment Percentages

	<u>2002</u>	<u>2003</u>		<u>2002</u>
January	5.3%	5.1%	July	5.7%
February	5.5	4.8	August	5.3
March	5.3		September	4.9
			October	4.9
April	5.2		November	4.9
May	5.5		December	5.0
June	5.8			