

PROFILE OF THE CITY OF WILMINGTON



Wilmington, incorporated in 1739, is located approximately at the midpoint of the eastern seaboard of the United States, in the southeastern coastal section of North Carolina. The City is an active business, service and industrial center for the surrounding five-county area with a population of more than 484,000 people area-wide. Numerous State and Federal agencies have regional offices in the area and the City serves as the

financial, medical, legal, communications and transportation center for the southeastern part of the State. With a land area of approximately 52.9 square miles, the City is on the Cape Fear River approximately 30 miles from the Atlantic Ocean, the County seat of New Hanover County and home to the State's largest port. The City has a population of 113,910 people, making it the eighth largest city in North Carolina.

The City has a Council-Manager form of government. The Council is comprised of the Mayor and six Council members. The Mayor is elected at large every two years and the Council members are elected at large every four



*City of
Wilmington*

years with staggered terms. The Council is the legislative body of city government with the Mayor as a voting member and the presiding officer. The city manager is appointed by the Council and administers the daily operations of the City through appointed department heads.

The City provides the full range of services authorized by statute. This includes police, fire, sanitation, streets, public improvements, planning and zoning and general administrative services. The City also operates parking facilities, a golf course, and provides solid waste and storm water management services. In addition, the Cape Fear Public Transportation Authority, a component unit, provides bus transit services within the City.

The City is empowered to levy a property tax on both real and personal properties located within its boundaries and New Hanover County is the only other unit that levies taxes within the City's corporate limits. The City is also empowered by State statute to extend its corporate limits by annexation, upon receipt of a valid petition signed by the owners of the real property located within the area.

The Annual Budget serves as the foundation of the City's financial planning and control. The City's strategic plan is revised as needed and priorities for the upcoming budget process are identified. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the fiscal year. The annual budget is prepared at a functional level (e.g. public safety) for all annually budgeted funds and certain multi-year funds. Department heads may make transfers of appropriations within a department. Transfers of appropriations between functions (e.g. public safety to transportation), however, require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each

individual governmental fund and enterprise fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For enterprise funds with appropriated annual budgets, this comparison is presented in the enterprise funds subsection of this report. Also included are budget-to-actual comparisons for each governmental fund and enterprise fund for which a project-length budget has been adopted (i.e., special revenue funds and capital projects funds).

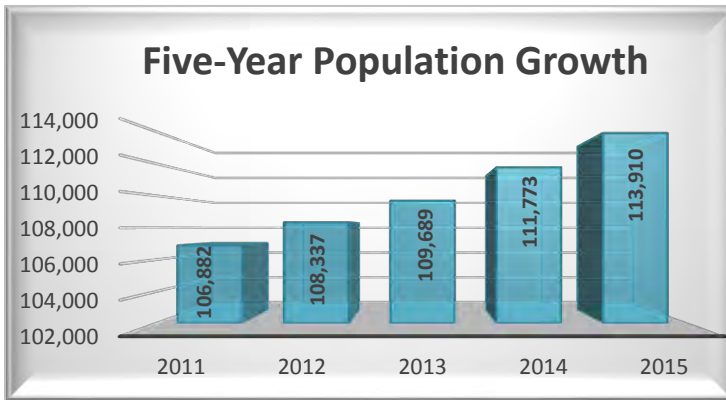
ECONOMIC CONDITIONS AND OUTLOOK

The City serves as the economic, cultural, and services hub for southeastern North Carolina. The historic attractions, mild climate, water related activities, and business opportunities have made the region one of the fastest growing areas of the nation. The Milken Institute/Greenstreet Real Estate Partners Best Performing Cities Index for 2014 ranks the Wilmington MSA 104th in the US and 4th in North Carolina in the largest metropolitan areas category for its ability to create and sustain jobs. Forbes magazine's 17th annual ranking of Best Places for Business and Careers ranked Wilmington 35th out of the 200 largest metropolitan areas in the US, and 17th for the Cost of Doing Business.

Wilmington earned the title of "Best American Riverfront" in USA TODAY's "10 Best" contest for the Nation's Best Riverwalk in 2014. WalletHub's 2015 Cities with the Fastest Growing Economies ranked Wilmington at 131 out of 515 cities and 67th for mid-size cities out of 240. In 2014 Wilmington was voted the best American Riverfront City by USA Today readers. The Riverwalk is lined with more than 200 boutiques, cafes and vibrant nightlife along the Cape Fear River. In August 2015, USA Today's travel website, www.10Best.com, announced downtown Wilmington had won its "Best Al Fresco Dining Neighborhood" poll. Readers voted for their favorite US sites for outdoor dining and Wilmington beat out cities such as Naples Florida and Vail Colorado.

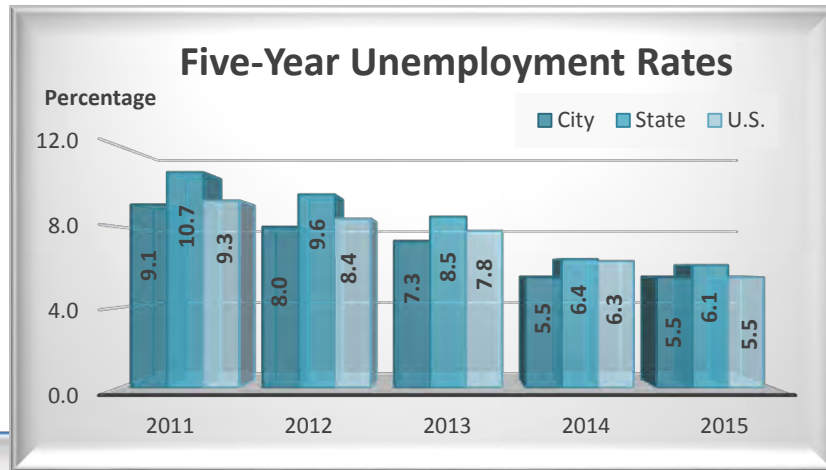
In October 2015, Wilmington was the focus of a three-part report by the US Chamber of Commerce as a portion of a yearlong series called Silicon Cities USA. The series, published in FreeEnterprise.com explores how cities and their business communities are adapting to the 21st century economy, how new and old businesses are still trying to be relevant and alive, and what factors are combining to create innovation at all levels. According to the editor-in-chief of the chamber's online magazine, Wilmington has done a number of really trendy things and is no longer a sleepy beach town. Prestigious companies, such as PPD, PMG, and AAiPharma are drawn to Wilmington due to its educated workforce and favorable tax and regulatory policies. Businesses benefit from a favorable tax framework and the combined power of the region's private and public sectors, officials from which routinely collaborate to create programs that will help ensure the region's future growth. According to NC Department of Commerce (NCDC), Wilmington is part of North Carolina's Southeast Prosperity Zone, which has a population of roughly one million. Its demographics mirror those of the state as a whole, but the Southeast zone is distinguished by a faster-growing and slightly younger workforce. The third segment of the report relates that Wilmington is in the midst of a kind of economic and cultural transformation. The growing chorus of entrepreneurial activity is beginning to reach a fever pitch, creating the kind of forward momentum that attracts the sort of creative and innovative thinking that defines the business landscape of cities like San Francisco, New York, and Austin.

The City's population has increased 49.3% since 2000. The University of North Carolina at Wilmington's Cameron School of Business hosted its annual Outlook Conference. The conference



focused on the economic vitality of the Wilmington MSA. Based on economic forecasts, the Wilmington area should expect economic growth of 3.0 % during 2015 and 2.5% in 2016. This forecast shows in 2015 the Wilmington area will grow at the same rate as the State and a faster rate than the Nation of 2.2%.

Wilmington's unemployment rate has consistently been less than state levels and very close to or below the federal levels. This is in part due to the diversity of the local economy with professional services, trade, health care, the hospitality industry, telecommunications equipment, construction and pharmaceuticals.



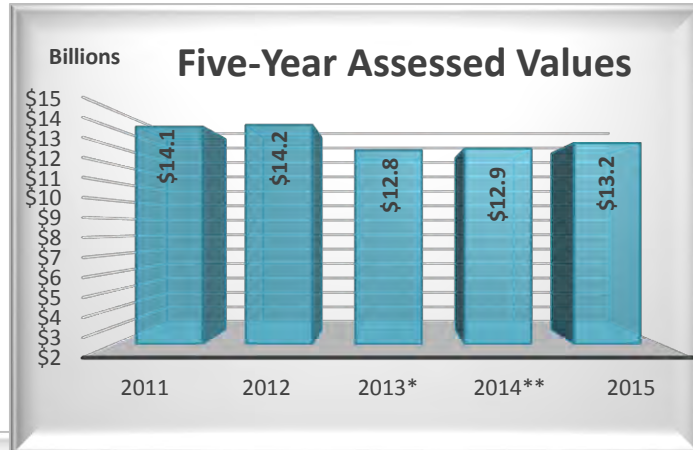
Top Ten Taxpayers

Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Corning Inc.	\$ 236,420,029	1.80 %
River Ventures LLC (PPD)	77,920,600	0.59
Duke Energy Progress Inc (CP&L)	54,827,928	0.42
Centro Independence LLC (mall)	54,078,800	0.41
GS II University Centre LLC	36,458,500	0.28
BellSouth Tel Co.	33,326,060	0.25
Mayfair Retail LLC	32,362,300	0.25
Wal Mart	31,228,325	0.24
Aaipharma Services Corp	29,515,498	0.22
Cameron Properties	27,391,600	0.21
	<u>\$ 613,529,640</u>	<u>4.67 %</u>

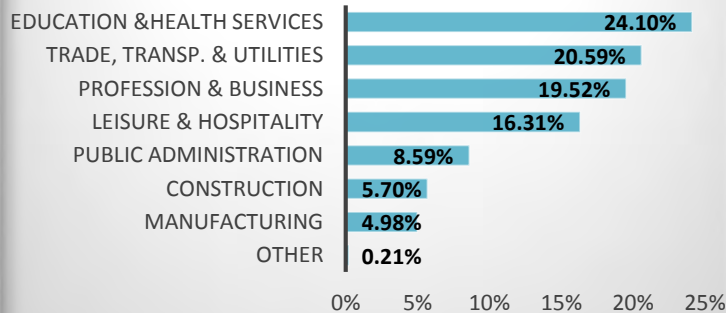
Source: New Hanover County Tax Office

No single taxpayer comprises more than 1.8% of the total tax base providing further confirmation of the City's diversity and non-reliance on any one employer or employment sector for economic stability.

The Assessed Value trend shows that since the 2013* Revaluation the City has seen positive growth in taxable assessed values. The values reflected in 2014** have been adjusted down by \$265 million to account for the one-time increase for the implementation of the State's Tax and Tag Program.



Components of Employment



*Taken from the Employment Security Commission of North Carolina
 **Data is the average for 2014 For WILM MSA & Brunswick Co.

Local industries are involved in a range of operations from simple assembly to manufacturing processes producing synthetic fibers, fiber optics, nuclear fuel and jet engine components.

Wilmington is home to the Global Headquarters to AAI Pharma, PPD, Live Oak Bank, General Electric Nuclear Fuel, Guilford Mills, Inc. and Castle Branch.

No single industry or employer dominates the local economy. The ten (10) largest employers continues to show the diversity of the City's economy by representing six (6) different products/services. Education and Government represent the only two (2) products/services provided by more than one employer.

Top Ten Employers

Employer	Product/Service	Employees	Percentage of Total Employment (1)
New Hanover Health Network*	Health Care	6,123	5.75%
New Hanover County Schools**	Education	3,691	3.46%
General Electric Nuclear Fuel/Aircraft***	Uranium Enrichment & Nuclear Fuel	2,109	1.98%
University of N. C. (Wilmington)*	Education	1,860	1.75%
New Hanover County**	Government	1,607	1.51%
Pharmaceutical Products Dev.*	Pharmaceuticals	1,462	1.37%
Verizon Wireless*	Telecommunications	1,411	1.32%
Cape Fear Community College*	Education	1,290	1.21%
City of Wilmington *	Government	1,018	0.96%
Corning, Inc.*	Optical Fiber	1,000	0.94%
Total		21,571	20.25%

Source: Wilmington Industrial Development

Notes:

- * Located within the City of Wilmington
- ** Located partially in City
- *** Located within New Hanover County
- (1) Total employment numbers available from North Carolina Employment Security Commission only on a county basis.

Manufacturing and Business Services

Corning Inc. operates an optical fiber plant in the City where ClearCurve® fiber cable and ClearCurve® multimode fiber are produced. In 2010, Corning announced the manufacture of Vascade EX2000 optical fiber, aimed for underwater use with links that use repeaters along coastlines or around island chains. Between March and May of 2013, Corning Inc., introduced a new SMF-28 Ultra Optical Fiber, a new Lotus XT Glass and announced the expansion of their Clean-Air Products Facilities. In June 2013, Corning's Pretium EDGE® Solutions was named the Datacentre Facility Product of the Year. In September 2013, Corning celebrated 40 Years of Clean-Air Technologies and also received the Intel Certification for its Thunderbolt Optical Cables.

General Electric's global headquarters for nuclear fuel is located in the County, outside of the City. Based in Wilmington, NC, **GE Hitachi Nuclear Energy (GEH)** is a global nuclear alliance created

by GE and Hitachi to serve the global nuclear industry by offering the highest level of quality services related to nuclear power plant construction and maintenance. GEH specializes in uranium enrichment technology and is a world-leading provider of advanced reactors and nuclear services. In November 2014, GE Hitachi Nuclear Energy entered



into several deals that will allow the company to keep its approximately 2,000 employees working here for years. The approximately \$1 billion in business GE pulled in last year will allow the company to invest in new technology and innovation, which itself will attract more business. A \$300 million deal will have GE provide services and fuel to the major power company Exelon Corp. GE will be providing fuel from the Wilmington facility into 2018. GEH also landed a large order for more than 40 of its Ultra Control Rod Blades. These blades contain neutron-absorbing material and they control the amount of fission and the heat produced by fission that takes place in the reactor. The blades' positioning can be adjusted remotely. On November 2, 2015, GE announced the close of a \$10.6 billion deal to purchase the power and grid businesses of Alston, a French multinational company. It is GE's largest-ever industrial acquisition. As a result of the transaction, **GE Power Services** was created within GE Power.

Global Nuclear Fuel Americas (GNF) operates a plant in Wilmington, NC where GNF manufactures light-water nuclear reactor fuel. GNF is powered by three giants; GE Energy, Toshiba and Hitachi. In May 2011, GNF received a \$300 million contract from a Baltimore-based nuclear energy utility company to supply nuclear fuel and licensing services for a nuclear station in central New York. GNF's North Carolina and Japanese facilities coordinated the development of fuel for GEH's ABWR reactor model which is the world's first and only Generation III reactor to enter commercial service. GNF is developing an innovative new fuel design that could easily be one of the most reliable in the world. New in 2014, GE developed the world's safest boiling water reactor (BWR). The Economic Simplified Boiling Water Reactor (ESBWR) is a 1520 MWe Generation III, the world's safest reactor. It can safely cool itself with no AC electrical power or human action for more than seven days. GNF is celebrating its 10th anniversary and beginning its second decade as a world-leading supplier of high-quality fabricated nuclear fuel and services.

GE Aviation is a global leader in jet engine and aircraft system production including the GENx, LEAP and CFM jet engines which are either manufactured or uses parts made locally. In April 2012, GE Aviation was awarded a \$380 million contract to build GENx engines for nine Boeing 787s being purchased by Kenya Airways. Also in April 2012, GE Aviation received an order from Qantas for over \$2 billion to develop the rotating parts for the engines that will power 78 Airbus aircrafts to be delivered in 2016. In September 2013, Canada's WestJet Airlines ordered 65 next-generation Boeing 737 jets which utilize LEAP engines and is valued at \$1.7 billion. Also, in September 2013, Delta announced it had selected CFM engines to power 30 Airbus 321 jets. In December 2013, Air Canada announced it was buying up to 109 Boeing's next-generation 737 aircraft to be delivered between 2017 and 2021. In September 2014, Ireland's Ryanair signed an agreement with Boeing Co. to buy up to 200 new 737 MAX 200 aircraft with CFM engines. At the Dubai Air Show in November 2013, GE Aviation received \$26 billion in jet engine orders and services agreements for wide-body Boeing aircraft from three leading airlines in the Middle East (Emirates, Qatar Airways and Etihad Airways) which use CFM and LEAP engines. In July 2013, GE Aviation announced that it will invest \$195 million across its North Carolina operations through 2017. This investment across GE's North Carolina sites would create an additional 242 GE jobs by 2017. GE Aviation has more than 1,300 employees in North Carolina at sites in Durham, West Jefferson, Wilmington and Asheville.

In June 2014, **Castle Branch, Inc.**, already a major employer in Wilmington, had its grand opening following a \$12 million expansion of its global corporate headquarters in Wilmington. The new 60,000 square foot facility adds to the existing 36,000 square foot location making Castle Branch one of the largest corporate headquarters in New Hanover County. Castle Branch, founded in 1997 originally based in Chapel Hill, NC, provides background screening, drug testing, employment verification, vendor credentialing and other services to its growing global client base. The company's current expansion aims to create 400 new jobs here by the end of 2017. Brett Martin, CEO and founder of Castle Branch, Inc., said that "support from WBD (Wilmington Business Development), the supportive government officials and the proximity to UNC Wilmington are all central factors in the company's selection of Wilmington over other national locations it had considered.



In November 2014, **Vertex** Railcar Corp. invested \$60 million to refit the former 502,000 square foot Terex Crane facility located at 202 Raleigh Street in Wilmington to manufacture technically advanced railroad tank cars. Currently with 105 employees, two sample railcars are nearly complete. Once the plant is fully certified and operational it will employ 1,300 workers at an average salary of \$40,000 over the next five years. In October 2015, the company received facility certification for hopper cars from the Association of American Railroads, with facility certification for tank cars scheduled to follow in December. Vertex has spent the past few months refitting the building with the goal of making 1,400 cars in the first year of operation and ramping up to 8,000 cars a year. In the coming years, the facility is expected to help replace 70,000 obsolete rail cars as new federal specifications are required. Vertex Phase 1 includes road improvements to Raleigh Road, the extension of a railroad line from the site to an existing rail line located along River Road, and the construction of two transfer tables for rail cars to be transferred from the site to their destination.

Meals Plus, a Wilmington-based school cafeteria management software company was recently included in Elite 50 from Help Desk Institute. Help Desk Institute recognizes outstanding technical service and support centers around the world, based on customer satisfaction survey responses

gathered from year to year. Meals Plus, which ranked 23rd, is the only K-12 nutrition software company on the list, a list that includes Fortune 500 companies, international corporations and businesses in banking, education, computer/software, health care and other consumer product sectors. Meals Plus currently operates cafeterias in more than 400 school districts in 33 states across the country.

Research and Development

Wilmington, NC is rapidly growing as a clinical research hub. According to the **N.C. Biotechnology Center**, the Wilmington area is home to a total of 70 companies such as AAIPharma, Modoc Research, Wilmington Pharmaceuticals and of course PPD in the clinical research cluster. Wilmington has more than 2,700 clinical research professionals and more than 20 Contract Research Organizations (CRO's) of which five (5) are headquartered in Wilmington. These businesses employ around 2,500 people. In addition this area has more than 100 active clinical studies and more than 36 supporting companies, including biostatisticians and medical device companies.

The world headquarters of **Pharmaceutical Product Development, Inc. ("PPD")** are located in the City's downtown area. PPD is a leading global CRO providing discovery, development and post-approval services as well as compound partnering programs for pharmaceutical, biotechnology, medical device, academic and government organizations. In August 2013, PPD announced that it had acquired Acurian, a leading full-service provider of clinical trial patient enrollment and retention solutions for the life sciences industry. PPD was named for the third consecutive year in 2013 to the *Information Week 500 List of Top Technology Innovators*. In 2013, PPD was ranked by clinical research sites globally as the number one company for reputation among all CROs in Center Watch's 2013 Global Investigative Site Relationship Survey. In addition, PPD and ePharmaSolutions won the 2015 Microsoft *Life Sciences Innovation Award* for their strategic alliance delivering integrated, portal-based collaboration tools to streamline clinical trial management and study start-up for biopharmaceutical clients. In June 2014, PPD announced that it was selected as one of the most innovative organizations using information technology to create business value by CIO magazine's 27th annual CIO 100 Awards.



In June 2011, PPD was awarded a five-year contract worth up to \$45.5 million to provide global regulatory and bio-statistical services for Army-funded clinical development programs. PPD will ensure the Army complies with regulations in its clinical programs and will provide statistical consulting, study design and statistical analysis support. The Wilmington-based CRO also will support the Army's biodefense, bio preparedness and vaccine development initiatives aimed at protecting military personnel.

In March 2014, PPD was one of five US companies tapped to design and conduct clinical studies with a goal of protecting the US population against bioterrorism, pandemic influenza and other potential health emergencies by the US Department of Health and Human Services. The contract includes a minimum guarantee of \$400,000 over the initial two years which can be extended for up to a total of five years and a maximum of \$100 million.

AAIPharma, headquartered in Wilmington, submitted site plans to the City for a two-story 47,500 square foot expansion that will also create 50 new full-time positions with an average minimum salary of \$77,000. AAIPharma has two facilities in addition to its laboratory in Wilmington, which include the FDA- and EU-approved solid-dose manufacturing plant and a clinical packaging and distribution center.



Next Glass, headquartered in Wilmington, was named a top global startup by the Wall Street Journal before an international audience of successful entrepreneurs and venture capitalists in October 2014 at the WSJDLive Conference “where the digital world connects”. Next Glass has an app that allows users to create personalized wine and beer preference profiles. Next Glass has analyzed thousands of wines and beers in lab space at UNCW’s Marine Biotechnology in North Carolina Program (MARBIONC) facility for the basis of the preference profiles.

University of North Carolina Wilmington (UNCW) Marine Biology Program is offered by the Center for Marine Science, a program dedicated to providing an environment that fosters a multidisciplinary approach to questions in basic marine research. The center fosters research programs of the highest quality and thereby enhances the educational experience for both undergraduate and graduate students in marine science. The MARBIONC program is a research and development based economic development program based at UNCW that discovers, develops and markets new products and technologies derived from the sea. Their team is at the forefront of marine biotechnology research and development on marine natural products and researchers are uncovering their potential to treat or cure a variety of human diseases. Their mission is to stimulate economic development in North Carolina through the discovery, development and marketing of new products and technologies derived from living organisms found in the sea.

The **MARBIONC Building** is located at the new **UNCW Crest Research Park**. The 69,000 square foot interdisciplinary research facility will assemble North Carolina’s cutting-edge biotechnology under one roof to advance new marine biotechnology discoveries and ensure the timely transfer of technology from the laboratory to the marketplace. The hub tenants will have access to the most advanced biotechnology laboratories and equipment on the east coast with more than 80 established researchers, state-of-the-art instrumentation, biological activity screening, analytical services, synthetic chemists, information



technology staff and marine

biotechnology expertise. The facility features LEED Silver certification, 24/7 physical and IT security, full power backup protection, and is designed to withstand Category 3 hurricane force winds. The Crest Research Park is the ideal environment for start-up and established companies involved in all aspects of biotechnological research and development. Located on the picturesque Intracoastal

Waterway of Masonboro Inlet, the Crest Research Park offers the perfect location with access to the waterway and Interstate 40, U.S. Highways 421, 17, and 74-76. The Wilmington International Airport is only minutes away.

Crest is also home to **Marine Bio-Technologies Center of Innovation (MBCOI)**. Its mission is to find commercial applications for an array of marine-based technologies, and then to match researchers and developers with the companies that can bring those products to market. The ultimate goal is to use marine-based technology – an important segment of the life sciences sector – to boost economic development and create jobs in North Carolina.



In October of this year, the BioMarine Business Convention will hold its sixth annual international gathering in Wilmington, the first time ever in the United States. This meeting is a collection of around 300 top executives from research, industry, and governments from 17 countries who are able to make decisions on where they want to take a particular project. Last year when the event was held in Cascais, Portugal, there were almost 55million (Euro) or \$62.3million (US) in deals as a result of that meeting. This year 15 companies will present their pitches, five of them North Carolina companies. One of those, **Ocis Biotechnology**, is based in Wilmington. Ocis uses material derived from biological or synthetic sources to influence biological processes such as wound healing, specifically for military service members who have suffered burns, according to a news release. The focus for this year’s convention is sustainable ocean harvesting and the world’s growing demand for protein, as well as ways in which the biomarine industry is actively developing solutions to address the imminent shortage of protein.

The **UNCW Center for Innovation and Entrepreneurship (CIE)** works to identify and nurture high-growth, high-impact companies and to accelerate the entrepreneurial ecosystem in southeastern North Carolina. This center is a nurturing environment for innovators as well as the entrepreneurs who will start the businesses to bring those innovations to the marketplace. With a combination of event space for training, co-working space for “napkin-stage” startups, low cost office space, experienced mentors and a future venture capital fund, they have created a great environment for startups in a great place – Wilmington, NC. The unique events centered on increasing sales, preparing successful Small Business Innovation Research (SBIR) grant proposals and developing better investor presentations will help entrepreneurs make better fundamental decisions at an early stage, setting them on the path to success within the local economy. The center serves both the students and faculty of UNC Wilmington as well as the startups interested in being a part of our community. The events are currently free and always lead to lively discussions about the new talent discovered in our backyard. Out-of-town professionals from the entrepreneurship and business development worlds are often invited to speak about a variety of topics relevant to today’s economic challenges and opportunities for growing a business. UNCW recently hosted the 2015 Instructional Innovation Incubator (I3@UNC). This pilot workshop worked on developing new online, blended, hybrid, or otherwise technologically-enhanced courses that expand educational opportunities for North Carolinians. The Small Business Administration named CIE as its winner of a national Growth Accelerator Fund competition.

Commercial and Retail

Autumn Hall began construction in 2007 on a mixed use development with an estimated value of \$420 million. The anticipated date of completion for the development is 2018. The original master plan included more than 200 acres and will have a wide range of residential, retail and office development. Residential construction included approximately 274 single family residential lots, 33 town homes, and 110 residential condominiums. Commercial space included 403,000 square feet of retail space, 355,000 square feet of office space, and a 135 room hotel. The development also provided 72 acres of common/open space. Approximately 94 single family home sites and approximately 131,000 square feet of office and commercial use, including Novant, a 40,000 square foot medical office facility have been constructed. In 2011 a multifamily development consisting of a total of 286 residential units, pool, and open space went under construction and was completed in the Spring of 2013. Carolina Bay @ Autumn Hall, which consists of 51 condominium units, was completed in 2013. Phase II of Carolina Bay @ Autumn Hall, a continuing care retirement community with 122 multi-family units and a 100 bed assisted living facility is currently under construction. Dungannon Village @ Autumn Hall, a 24,400 square foot office building is currently under review by the City's Technical Review Committee.



Live Oak Bank, with its headquarters in Wilmington, currently occupies a beautiful two-story, 89,000 square foot facility on a 10.66 acre parcel within the Tiburon Office Park development. Live Oak Bank plans to add 120 jobs with an average annual wage of \$80,000 to its workforce within the next five years. Live Oak Bank ranks second in the nation in Small Business Administration 7(a) loans. Additionally, Live Oak Bank was listed number 126 out of the top 200 Healthiest Banks in America by DepositAccounts.com and was one of only three banks from North Carolina that made the 2014 list. For the second straight year American Banker recognized Live Oak Bank as the best bank to work for. They announced in August that it would begin offering SBA-guaranteed loans to independent insurance agents, bringing the number of industries that Live Oak lends to eleven.



Since successfully implementing the Bank Operating System in 2010, Live Oak Bank has grown to become the #1 bank in ROA and ROE in the United States within their asset category. nCino's Bank Operating System tracks a loan through its entire life cycle while ensuring regulatory compliance, reducing risk, increasing transparency and efficiency, and creating new revenue opportunities. nCino's target market are banks with assets above \$400 million and credit unions with a focus on member business lending. nCino has the ability to transform the regulatory process as preformatted reports on all topics can be automatically drawn and sent to bank regulators at predefined intervals. nCino created the cloud-based banking industry and believes the Bank Operating System has the potential to become the de facto standard for how banks are managed and run; and to enable regulators to identify financial problems and address them before they

happen. It began with Neil Underwood, Live Oak Bank's president and chief operating officer, who helped design the Bank Operating System along with James (Chip) Mahan, founder and CEO of Live Oak Bank and one of the 10 Most Influential People in Financial Services as recognized by FutureBanker magazine.

In May of 2013, the City Council rezoned a total of approximately 301.9 acres of property known as **Gallery Park**. The approved master plan is for 1,570,000 square feet of commercial space, 1,500,000 square feet of professional/medical office space and 1,375 dwelling units. In August 2014, the City received plans to develop approximately 27 acres of the site with 402 multi-family units. It is anticipated to take 20 years to construct **Gallery Park**. In June 2015, the City received plans to develop approximately 27 acres with a 54,100 square foot theater with 2,272 seats and 18,600 square feet of restaurant/retail. This project is currently under review by city staff with anticipated approval in December 2015.

On June 30, 2014, a 12.64 acre area known as the **Galleria** was deannexed from the Town of Wrightsville Beach and annexed into the City by the North Carolina General Assembly, through Session Law 2014-45, effective June 30, 2014. It is anticipated that a mixed use development, known as **Galleria**, consisting of residential, commercial, and office uses will be developed on the site.

On February 6, 2014, City staff reviewed a site plan for a 69,908 square foot professional office building for **BB&T** located at 101 North 3rd Street, which was occupied by PNC Bank. The building opened in October 2015 and **BB&T** has moved from 115 N Third Street. The second floor will have a secure connection to an existing parking deck. Local demand for class-A office space has remained on the upswing recently. With expansive views of Third Street and other parts of downtown, including the river, the new building includes marble tile and reclaimed pine from the Cape Fear River in the lobby, along with InterActive TouchSource Directory with company and individual listings, property and building amenity information, and Google-powered real-time news, weather and traffic information.



Springhill Suites, a 120-room hotel totaling 66,738 square feet on 1.98 acres located at 1011 Military Cutoff Road, is currently under construction.

On November 20, 2013, City staff reviewed a site plan for a 92-room **Holiday Inn Express and Suites** located at 225 Grace Street. The site is approximately 0.41 of an acre and is located in the City's central business district. This hotel was approved by the City in September 2014 and is currently under construction.

Airlie Offices, a 20,000 square foot office building located at 1613 Military Cutoff Road is currently under construction.

Publix at Bragg Drive has proposed a 46,000 square foot retail grocery store located at the intersection of Bragg Drive and S. College Road. This retail grocery store was approved on August 6th and the site has been cleared for construction to commence.

Residential

The majority of the **RiverLights** project, is zoned R-7(CD), Residential (Conditional District), and will contain a blend of single-family and multi-family residential units. The remaining land, which is zoned MX (Mixed Use) and concentrated along the Cape Fear River, will contain office and retail uses, as well as a marina. The project will provide connectivity to adjacent existing neighborhoods and includes a re-alignment of River Road. The developer will provide off-site traffic improvements including upgrades to Independence Boulevard and River Road. The applicant submitted a development agreement in conjunction with the re-zoning request. The agreement limits the development to a maximum of 2,290 residential dwelling units and also allows flexibility for the developer to transfer density within phases up to 25%. The developer will provide funding or property to the City of Wilmington Fire Department to extend fire protection services and also will dedicate land for public parks, funds for the New Hanover County school system and a water tower for enhanced water quality.

On March 5, 2013, the City approved amendments to the development agreement and approved a site plan. The approved modifications will allow the developer to construct a total of 2,790 residential units if the nonresidential portion of the development is reduced by a proportionate amount to mitigate potential traffic generated by the additional 500 residential units. The revised development agreement also clarified the timing of when certain infrastructure improvements would be required and modified when the developer would be required to pay the City, in lieu of transportation improvements, a sum of \$2,750,000 in three equal installments following certain road improvements.

In August 2014, the developer submitted plans to relocate River Road to an approximate three mile long road that will serve the property. Three subdivisions with a total of 350 lots have been approved by the City's Subdivision Review Board. One of these residential subdivisions is a 141 lot developer-identified *age-qualified development* targeting residents 55 years of age and older. Marina Village at River Lights was approved by the City on August 27, 2015. This development is a mixed-use community with 112-boat slips, 10 townhomes, 9800 square feet of restaurant space, approximately 16,000 square feet of office space, 4,000square feet of retail space, and a 7,700 square foot art gallery.

On February 6, 2014, City staff reviewed a site plan for **Sawmill Point**, a 278-unit residential development located at 1015 Nutt Street, adjacent to and south of the Isabel Holmes Bridge. The site is approximately 11.13 acres in size, is currently vacant, and is zoned CBD, Central Business District. The four-story complex, would total approximately 330,000 square feet. The developer also proposes a parking structure with 335 parking spaces that would be hidden by the proposed building on all three sides. Amenities proposed for the development include a swimming pool and access to the existing boat slips constructed by a previous property owner. The developer also plans to provide pedestrian linkage to the Riverwalk and the North Waterfront Park immediately to the south. This project was approved for construction in March 2015 and is currently under construction.

Forks Subdivision is a planned residential subdivision approved by City Council on March 5, 2014. Currently under construction, it consists of 133 units with 51 single-family detached lots and 82 attached single-family lots. The subject property is located on the east side of 17th Street between Museum Drive and George Anderson Drive. The site is zoned R-15, Residential.

Fairfield Meridian is a multifamily development, located off of Carolina Beach Road in the Fairfield Park mixed use development, and is a 240-unit multifamily development comprised of two, three-story buildings and a 4,900 square foot club house, with a swimming pool and other

amenities. A total of 136 one-bedroom units, 97 two-bedroom units, and eight three-bedroom units are proposed. Additional phases of the development would include up to 40,000 square feet of commercial/retail use in neighboring buildings. The project is currently being reviewed by City staff for compliance with development regulations. The project was approved by the City in February 2015 and is currently under construction.

Annexation

The City is empowered to levy a property tax on both real and personal properties located within its boundaries and the County is the only other unit that levies taxes within the City's corporate limits. The City is also empowered by State statute to extend its corporate limits by annexation, upon receipt of a valid petition signed by the owners of the real property located within the area.

Since May of 2009, the City Council has adopted four voluntary annexation ordinances: 5000 River Road (1,358.717 acres), 7910 Market Street (26.57 acres), 6469, 6501 and 6505 Gordon Road (9.99 acres), and 4625 Carolina Beach Road (0.23 acres). Effective July 1, 2012, four tracts, totaling approximately 74 acres, were voluntarily annexed into the City by the North Carolina General Assembly, through Session Law 2012-138.

On June 19, 2014, the City and the Town of Wrightsville Beach ("Wrightsville Beach") entered into an inter-local agreement under which an approximately 12 acre tract, the site of the defunct Galleria Shopping Center, previously annexed into Wrightsville Beach was de-annexed and subsequently annexed into the City by the North Carolina General Assembly, through Session Law 2014-15. The City annexation was for the purposes of promoting redevelopment of such tract and included consideration of payment by the City to the Town of Wrightsville Beach of an agreed upon annual amount over 29 years to compensate Wrightsville Beach for the loss in tax base.

Tourism

Tourism is the area's largest economic component in terms of employment and revenues. Nearby beaches, the historic river front area, and the USS North Carolina Battleship Memorial are some of the attractions for tourism business. A variety of special events held year-round, such as the Azalea Festival and Riverfest, add to the area's appeal to tourists. The New Hanover County Tourism Development Authority (TDA) was established to expand the tourism industry and to maintain the health of the local economy. Funded in large part by the room occupancy tax discussed herein, the TDA serves as an umbrella organization representing all of the services available to a visitor within the area. The North Carolina Division of Travel and Tourism has estimated that in 2014, travel and tourism generated an economic impact of \$507.9 million in the County, an increase of 6.33 percent over 2013. The County is ranked eighth among North Carolina's 100 counties in tourism expenditures. State and local tax revenues from travel to the County amounted to \$43.93 million. Travel generated \$113.27 million in payroll in 2014 and provided 5,460 jobs in the area.



The Wilmington Railroad Museum has a great collection of displays and areas for children, which include, Thomas the Tank Train play area, more than 20 operating scale model trains, spectacular model layouts, a real life-size caboose, a boxcar and a 100 year-old steam locomotive. One can even plan their little one's birthday party in the Red Caboose.

U.S.S. North Carolina (Battleship) is the centerpiece of the Wilmington Riverfront. A majestic symbol of this country's hard-earned naval victories in World War II and is the Memorial to the 10,000 North Carolinians of all the armed services who gave their lives during World War II. Commissioned in 1941, the 45,000 ton warship wields nine 16 inch turreted guns and carries nickel-steel hull armor 16 to 18 inches thick. The Battleship came to its present home in 1961. The public has access to more than nine decks including the crew's quarters, galley, sick bay, gun turrets, engine room, plotting rooms, radio central, the Admiral's Cabin, the bridge and combat central.



The Children's Museum occupies a 17,000 square foot facility, featuring twelve dynamic exhibits, an outdoor courtyard, a secret garden, a gift store and has over 51,000 visitors per year. This hands-on, learning-through-play museum offers something for children of all ages with all interests. Sail the seas as a pirate in Ahoy Wilmington!, climb on the new School Bus, examine your teeth in the ToothaSaurus Pediatric Dental Exhibit, perform examinations as a physician in the Teddy Bear Hospital, experiment in the Science Lab, sing and act in the Star Maker Sound Stage and make a masterpiece in the Art Studio.

The Cameron Art Museum occupies a 40,000 square foot facility on a 9.3 acre woodland park known as Pyramid Park, featuring long-leaf pine woodlands, outdoor sculptures, nature trails, a historic Civil War site and the Clay Studio housed in the Pancoe Art Education Center. The main museum building includes three exhibition areas, the Weyerhaeuser lecture and reception hall, a full service museum café and catering kitchen, a museum gift shop and free parking. The Museum is committed to arts education, and presents exhibitions and public programs of both historical and contemporary significance, with 6 to 8 changing exhibitions annually, in addition to outdoor, site-specific projects on its park property. The museum offers art classes for students of all ages and an event schedule that includes musical performances.



Cape Fear Museum established in 1898, is the oldest continuously operating museum of history in North Carolina. The skeleton of a 20 foot-tall Giant Ground Sloth greets visitors to the museum. The entire family can enjoy a miniature re-creation of the second battle of Fort Fisher, a scale model of Civil War Wilmington's waterfront and the Michael Jordan Discovery Gallery and an interactive science exhibit for the entire family. Children's activities, concerts, special events and acclaimed touring exhibits help make the Museum one of the primary repositories of local lore with an extensive permanent collection of over 40,000 artifacts. On September 25, 2015, the museum opened a community park to welcome visitors with engaging hands-on exhibits, gardens featuring native and adaptive plants, and educational programs while also serving as a place to enjoy and explore nature in the City.

The Cape Fear Serpentarium is a unique facility located in the downtown district of historic Wilmington, NC. Founded in 2001 by expert herpetologist Dean Ripa, the Serpentarium is a 10,000 square foot structure which features 54 displays that house over 40 venomous species of snakes, five (5) large bays featuring giant constrictors, and three full-fledged interior habitats housing three (3) species of crocodile. Other displays are the homes for several large and exotic species of lizards. In all, there up to 150 animals on display at any given time. Using existing and new construction, this indoor zoo was built upon the



original Wilmington Iron Works. Taking over two years to complete, the indoor displays are some of the largest of their kind in the world, painstakingly constructed to allow the animals to experience almost every freedom they would enjoy in their natural habitat. For patrons, this means the experience of encountering these creatures in as close to a natural setting as possible, while maintaining absolute safety. Thus, spectators may enjoy all manner of rarely observed reptile behavior. Mating, combat and live feedings all compliment the inherent beauty of these powerful species. The Cape Fear Serpentarium has been featured on Discovery TV, Animal Planet, Attaché Magazine, Oxford American Magazine, the Wilmington Star News and many others. Scientists and tourists alike visit from all over the world to view animals that can be seen nowhere else. The Cape Fear Serpentarium is recognized as one of the world's foremost reptile collections.

One of the venues for the screening of films is held at **Thalian Hall**, owned by the City and part of the City Hall since 1856. The City along with private donors funded a renovation that was completed in May 2010. Last year there were over 250 shows, plus events and films for a total of 495 performances, and these programs attracted audiences totaling more than 85,000 people. The events ranged from music to ballet and theatre, from pop, jazz, folk and country music to the finest in domestic, independent and foreign films. The Thalian Hall complex is the site of recitals, awards ceremonies, film festivals, lectures and charity events, and is "home" to a large number of theatre and performing companies, including By Chance Productions, Opera House Theatre, Thalian Association, Willis Richardson Players, Theatre Exchange and Stageworks Youth Theatre. Thalian Hall is an education center, with unique performances and programs attracting more than 10,000 school children each season. Thalian Hall is one of the most heavily utilized facilities of its kind in the nation and is an economic generator stimulating the local economy by more than \$2 million annually.



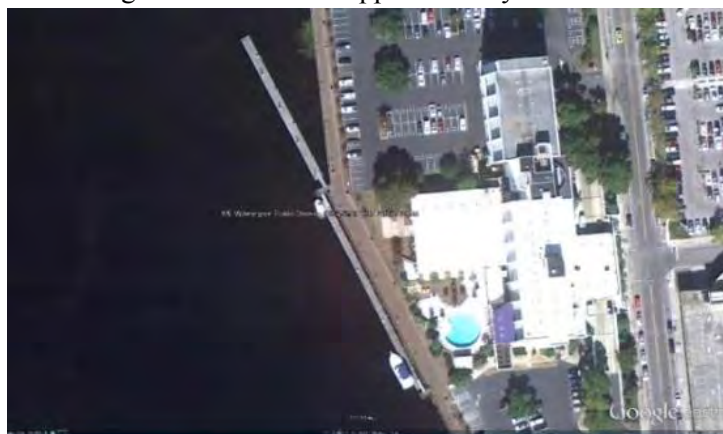
The Hannah Block Historic USO/Community Art Center is a City-owned building that features five studios that are available to non-profit organizations for rehearsals of plays, musicals, and recitals. The auditorium seats over 200 and is available for weddings, parties and other programs. The facility includes a kitchen and may be rented for corporate and private functions.

The **Cucalorus Film Festival (Cucalorus)** is a multi-disciplinary arts organization supporting emerging and innovative creative professionals through an annual film festival, a residency program, a summer camp for teen filmmakers, a micro-cinema, and an extensive community outreach program. It is considered one of the region's premier cultural events drawing more than 15,000 visitors and screens over 200 films from around the world. The Brooks Institute named the Cucalorus as one of the "Top 10 Film Festivals in the United States" and Movie Maker Magazine included it in a list of the "Top 25 Coolest Film Festivals." The first ever **CONNECT** will take place November 11-15, 2015. Cucalorus is celebrating tech and entrepreneurship while mixing creativity with business with over 150 events scheduled.

The Downtown Sundown Concert Series runs each Friday night from May through the early part of September. The free concerts are from 6-10pm and feature both local performers and touring bands. The Downtown Sundown Concert Series is a free, family friendly event that attracts both local residents and out of town visitors. The concerts are designed to provide interesting and fun entertainment for attendees, spur interest and activity to Downtown during the early evening hours and to raise funds for Wilmington Downtown Inc. (WDI) downtown development programs. Last year, over 26,000 people attended the concerts. Traditionally, the concerts are held at Riverfront Park. The schedule features various musical styles with an emphasis on tribute bands. All headlining acts are touring bands that will visit the region for their performance. WDI schedules local bands to open each show and these acts are announced before the season begins.



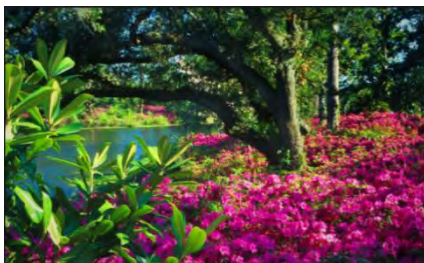
Wilmington City Docks are transient docking facilities located approximately 15 miles from the Inter Coastal Waterway (ICW) on the scenic Cape Fear River in historic downtown Wilmington. The City offers a total of 1,200 feet of floating dock space with multiple floating face docks and can accommodate vessels up to 100 feet. Power (30 and 50 amp) and water are available. The docks are within walking distance of area attractions, hotels, shopping, dining, theater, nightlife, laundry facilities, post office, banks and supplies. Dockage is available by reservation only. The dock master monitors channel 16 on VHF.



The **Arts Council of Wilmington and New Hanover County (Arts Council)** launched its Arts on Tour mobile app on April 24. The state-of-the-art technology platform provides location-specific audio interpretation of arts venues in New Hanover County, including the sculpture installations. The 2015 Tri-State Sculpture Conference was held in Wilmington, October 1-4. Real Estate Scorecard.com has named Wilmington one of the 100 Best Art Towns in America. Whether art is displayed on exterior building walls or displayed in window storefronts, art is all around you in Wilmington. People seeking rich cultural venues are drawn to the area to enjoy symphony orchestras, theatre performances and festivals which take place year round.



Fourth Friday Gallery Nights are free monthly events where downtown galleries, studios and art spaces open their doors to the public in an after-hours celebration of art and culture. Taking place from 6-9pm on the fourth Friday of each month, the self-guided tours have made downtown Wilmington a popular destination for art lovers. The Arts Council, in collaboration with Tri-State Sculptors, has installed 12 sculptures as part of the popular Pedestrian Art public art program.



Wilmington is **Airlie Gardens**. At the heart of the garden is a 300 year old oak tree with plenty of hanging Spanish moss. Take a leisurely stroll on one of the many paths and visit the butterfly house and bottle sculpture. If you visit in the spring, the flowers will provide a colorful backdrop to any photo album. By the pier, you can see an osprey nesting in a dead tree.

Film Industry

EUE/Screen Gems Studios completed Stage 10 in 2009, one of the largest sound stages in the world, with a 37,500 square foot movie studio and 3,600 square foot special effects water tank at an estimated value of \$15 million. It is the latest expansion to the largest film and television lot east of California and has resulted in Wilmington being name “Hollywood East”. The filmmaking industry has been an important economic force in the City and the County since the construction of production facilities in 1983 by DEG Inc. In FY 2015, the North Carolina General Assembly reduced the film incentive to a maximum grant of \$10 million. The



earlier incentive program paid out \$63.5 million and \$60.5 million in tax credits for FY2013 and FY2014 respectively. With the adoption of the State’s FY 2016 budget a film grant program was approved at \$30 million per year for FY 2016 and FY 2017. Now owned by EUE/Screen Gems Studios, the 50 acre complex has a total of 150,000 square feet of clear-span production space located in ten existing stages ranging in size from 7,200 square feet to 37,500 square feet. The County continues to be one of the most productive and cost effective filmmaking destinations. From 1984 to present, the County has hosted more than 350 feature films, mini-series, “movies of the week,” eight television series along with numerous commercials and music videos. Producers

continue to utilize the available resources for filmmaking and it is expected that the studio will remain a popular facility in the State. As reported by the Star News in August 2013, for the first time in Hollywood East's history, Wilmington has spawned three No. 1 hits at the box office in one year with the release of "The Conjuring", "Iron Man 3" and "Safe Haven".

On October 27, 2011, EUE/Screen Gems Studios in Wilmington was selected as the host for the production of "Iron Man 3". The Motion Picture Association of America's CEO Chris Dodd and Executive Producers Charles Newirth praised the Wilmington-based men and women who had worked on the film. Mr. Newirth added that more than 700 vendors in 84 communities were tapped by the production while filming North Carolina.

The investment in Stage 10 as well as "the large local crew with experience handling five simultaneous productions" was a major factor. In a May 1, 2013 press release, EUE/Screen Gems Studios used all ten stages of the Wilmington, NC film and television complex in filming "Iron Man 3". A new digital infrastructure designed for the complex needs of the production is now one of the best in the world and benefits current clients such as Stephen King and Steven Spielberg's "Under the Dome".



In addition to 150,000 square feet of column-free space, EUE/Screen Gems also offers production offices with modern communications, construction shops, wardrobe facilities and prop/set decoration warehouses. Film-related tenants on the lot include a law firm specializing in entertainment law, a film bonding company, editors, a sound recording studio and a casting company. EUE/Screen Gems is also one of the largest suppliers of lighting, electric and grip rentals in the Southeast with locations onsite in Wilmington, NC as well as in Atlanta, GA and Charleston, SC.

HOSPITAL AND MEDICAL FACILITIES

New Hanover Regional Medical Center (NHRMC) is a teaching hospital and regional referral center and the tertiary care center for a seven-county area. NHRMC is one of 10 trauma centers in the state certified at Level II or above and is one of only two cardiac centers of excellence east of Interstate 40. NHRMC is home to the region's first Level III, Neonatal Intensive Care Unit (NICU), and has a *da Vinci*® Surgical System, which is a state-of-the-art robotic platform for surgeons. NHRMC's Zimmer Cancer Center has distinction attained by just 25% of the nation's hospitals: certification as a teaching cancer hospital by the Commission on Cancer of the American College of Surgeons. In September 2015, NHRMC was recognized as one of America's best hospitals for cancer care by the Women's Choice Award. This award signifies NHRMC's commitment and passion toward an extraordinary healthcare experience for women and all patients. The nine floor inpatient tower was completely renovated and converted to almost all private rooms as of December 2010. A new 186,500 square foot surgical pavilion on the main campus began taking patients in June 2008 and features 26



operating rooms and 76 recovery rooms. In May 2013, the Port City Daily news reported that NHRMC has become North Carolina's first hospital to earn all three "gold" awards offered by a group focused on the health of hospital employees. NC Prevention Partners recognized NHRMC as having achieved the "highest standard of excellence for comprehensive wellness programs offered to their employees in the areas of physical activity, nutrition and tobacco-free environments". NHRMC began construction of a new standalone emergency department in northern New Hanover County. According to an NHRMC spokesperson, the plans include construction of a 30,000 square-foot medical facility, which includes 10 treatment rooms and one critical care room, and will be staffed 24/7 by board-certified emergency physicians, nurses, and a support care team. The \$15.1 million building was completed in 2015. NHRMC received two separate awards in the fall of 2014 for quality and safety. NHRMC was awarded an "A" grade in the update to the Hospital Safety Score for how well patients are protected from accidents, errors, injuries, and infections. NHRMC was also recognized as being a Top Performer in the Key Quality Measures Program. In November 2014, NHRMC became the first Pediatric Sleep Disorder Center and Epilepsy Monitoring Unit in the region. This is the only program of its kind in the area for patients from infancy through age 18. NHRMC continues to expand its services and is southeastern North Carolina's leading health-care provider with over 5,200 employees. NHRMC also creates another 6,000 jobs indirectly.

In a September 2013 news release, it was announced that NHRMC, Wilmington Health and Blue Cross Blue Shield North Carolina (BCBSNC) are launching the first Accountable Care Alliance to enhance care and provide greater value for health care consumers in Southeastern North Carolina. The first of its kind in North Carolina, this unique collaboration brings together a leading hospital system, independent multi-specialty clinics and an insurer to better meet the health care needs of patients.

BCBSNC is a leader in delivering innovative health care products, services and information to more than 3.9 million members, including approximately one (1) million served on behalf of other Blue Plans. For the fourth year in a row, BCBSNC was recognized as one of the World's Most Ethical Companies by Ethisphere Institute.

NHRMC Orthopedic Hospital, formerly Cape Fear Hospital serves as New Hanover Regional Medical Center's home for orthopedic services. The Orthopedic Hospital features designated orthopedic nurses, therapists, technicians and surgeons who are board-certified or eligible in orthopedic surgery. The center includes specialists in hand and shoulder, foot and ankle, and spine as well as arthroscopic surgeries, sports medicine and joint replacement.

Wilmington Health is the largest private, fully integrated, multi-specialty medical group practice in the area with over 20 locations (including Convenient Care and Urgent Care). Wilmington Health has provided premier healthcare to the residents of Southeastern North Carolina for over 40 years. In 2013, Wilmington Health was named a 2013 Acclaim Award Honoree by the American Medical Group Organization (AMGA). The prestigious honor is awarded annually to only three national healthcare organizations. Previous esteemed Acclaim Honorees include Mayo Clinic Health System, John Hopkins Medicine, and The Cleveland Clinic.

Partnering with Wilmington Health, **PMG Research of Wilmington** has two offices situated in a one mile radius around a comprehensive network of multi-specialty providers. PMG offers access to experienced investigators with diverse expertise to serve Sponsor and research participant needs. Wilmington Health provides all ancillary services and procedures for PMG studies, creating a streamlined and convenient experience for participants and caregivers. With access to an electronic medical records system, PMG Research of Wilmington is able to utilize a pool of 376,000 potential patient volunteers for clinical research.

TRANSPORTATION

The Road System

The City is served by Interstate 40, U.S. highways 17, 117, 74, 76 and 421 and by North Carolina Highways 132 and 133. These highways connect the area to the major cities in North Carolina, South Carolina and Virginia.

Ground Based Freight and Mass Transit

Other transportation resources in the City include the CSX Rail Transport Group which provides rail freight service in the area with one scheduled train daily. Local bus service is provided by the Cape Fear Public Transportation Authority, which operates as Wave Transit. The Cape Fear Public Transportation Authority is governed by an eleven-member board with five members appointed by the Wilmington City Council, five members appointed by the County and one member jointly appointed by the City and the County. A private management firm operates a system of ten routes, the UNCW Shuttle service and the historic downtown trolley. The City's operating subsidy to the Wave Transit system is \$1,442,822 for fiscal year ending June 30, 2015. There was no capital subsidy for the current fiscal year. The City's operating subsidy for operations is approximately 17% of the current year's transit budget. There are also approximately 55 trucking companies serving the greater Wilmington area.

The State Port

Since 2012, Logistics Management magazine has named North Carolina's **Port of Wilmington** in the top 20 on its list of U.S. Ports. In an October 2015 issue of Global Trade, the Port of Wilmington was named 19th of the top 25 America's Top Container ports. The City's location affords industries equal accessibility to major markets to the north and south. Along with access to three major roadways, the port is located within 700 miles of more than 70 percent of America's industrial base. The Port of Wilmington, located in the City on the east bank of the Cape Fear River, is one of two deep water harbors in the State. The Port handled 4,646,134 tons of cargo for the fiscal year ended June 30, 2015, an increase of 27.9% over 2014. In an April 2015 press release, the NC State Ports Authority posted a 20% container volume increase in the third quarter of the fiscal year over the same period from last year. The Port of Wilmington has ample capacity to support today's cargo volumes and continues to invest in expanding the facility to meet projected growth in international trade, with a major expansion project currently under way. An aggressive capital program has positioned the Port of Wilmington in a new class of service to the maritime transportation industry. With the near completion of the Panama Canal expansion, the Port of Wilmington is focusing on how to handle the newest generation of ships – called post-Panamax. The goal is to enable the port to accommodate multiple post-Panamax container ships to increase the speed and efficiency of loading and unloading the vessels.



A 42-foot navigational channel offers customers additional vessel capacity. Readily available modern transit and warehouse facilities, new state-of-the-art Panamax container cranes and support equipment, and the latest in cargo management technology provide a broad platform for supporting international trade to the fast-growing Southeast U.S. market. Recent and ongoing improvements

to regional and national highway networks make surface transportation supporting the Port of Wilmington superior to neighboring ports. CSX Transportation provides daily service for boxcar, tanker and general cargo services.

In June 2013, the NC Council of State approved a proposed 21-year lease with Enviva Holdings for the construction of a \$35 million **Wood-Pellet Storage** and shipping facility at the Port. Enviva inflated two storage domes, and are in the process of building a rail car unloading station, a ship loader and conveyor system at the Port. The biomass fuel export facility (wood-pellet) would ship as much as one million metric tons of pellets a year from forests in southeastern North Carolina starting in January 2015.



The North Carolina State Ports Authority, along with USA InvestCo, broke ground on a new 101,000 square foot **Cold Storage Facility** on June 2, 2015. The warehouse facility is located directly on the terminal at the Port of Wilmington and is expected to create more than 100 new jobs. North Carolina's agriculture business has always relied heavily on the Port of Wilmington and this specific construction, offering over 11,000 pallet positions, represents further development in that market. "North Carolina is a major hub for global exportation of refrigerated pork and poultry products and a major player in the protein production export business," Chief Executive Officer Paul J. Cozza said. "By utilizing this newly created cold storage facility, protein producers will be able to save a substantial amount on transportation costs to ship to their existing markets abroad. Having access to this facility will reduce spoilage, and increase delivery/export times for our customers and businesses in North Carolina." Potential import commodities such as fruits, vegetables and seafood present vast opportunities for the North Carolina State Ports Authority and the Port of Wilmington Cold Storage Facility. The facility,



which is scheduled to finish in February of 2016, will provide a seamless logistical advantage for international shippers. "The Port of Wilmington Cold Storage facility will add the missing link in the global cold storage chain for Port of Wilmington by providing a facility which will offer services of cold and frozen storage, blast freezing, and the loading and unloading of export and import products from North Carolina and around the world," Chuck McCarthy, President & CEO Port of Wilmington Cold Storage. North Carolina's ports are a few of the most market accessible ports on the U.S. East Coast. Within 1,000 miles of North Carolina's borders are more than 170 million U.S. and Canadian consumers, more than 65 of the country's top 100 metropolitan areas and nearly 60 percent of total U.S. retail sales. Exporters and importers continue to recognize the inland logistics advantage of North Carolina's ports and its operational efficiencies. A lack of congestion, faster gate turn times and increased crane moves per hour have led to a 20 percent container volume increase year-over-year, making the Port of Wilmington one of the fastest growing ports on the U.S. East Coast. North Carolina's Ports in Wilmington and Morehead City, plus inland terminals in Charlotte and in Greensboro, link the state's consumers, businesses and industry to world markets, and serve as magnets to attract new business and industry while receiving no direct taxpayer subsidy. Port activities contribute statewide to 76,700 jobs and \$707 million each year in state and local tax revenues.

Carolina Marine Terminal loads and unloads ships that cost the owner of the cargo between \$10,000 and \$50,000 per day, so they have to do it fast and they have to do it right the first time. They have an ingenious conveyor design that takes product from the ship and moves it rapidly. This system works alongside a crane that can move 1,000 tons of bulk in an hour. They can get a truck in and out in 15 minutes from the time it hits the scales. They are constructing three (3) storage domes to be constructed on industrially-zoned property located just south of the NC State Ports property. The domes are 80-100 feet in height and range from 125-142 feet in diameter and are currently under construction.



Wilmington International Airport

The **Wilmington International Airport**, a component unit of New Hanover County (the “Airport”) is operated by the New Hanover County Airport Authority. The Airport is the 4th largest in the State. In calendar year 2014, the Airport served 751,584 passengers, a decrease of 23,023 or 3% below 2013. In calendar year 2015 through August the Airport saw another decrease of 3,376 passengers or 0.66%. Two commercial airlines; American Airlines/US Airways and Delta provide regular jet and commuter service, offering direct (non-stop) service to four major cities: Atlanta, Charlotte, New York and Philadelphia and one-stop connections to hundreds of destinations both domestic and international. The Airport is a U.S. Customs and Border Protection General Aviation International Clearance Facility. This 13,500 square foot facility processes commercial and general aviation public passengers entering and exiting the United States.

EDUCATION

The University of North Carolina at Wilmington (UNCW), also located within the City, was founded as Wilmington College in 1947 and designated as the 6th university in the University of North Carolina System (UNC) in 1969. UNCW is the only public university in southeastern North Carolina. Expanding from three buildings in 1961 to more than 90 today, the campus still reflects the Georgian style of architecture that has made the institution one of the most attractive in the State of North Carolina. UNCW manages the nation’s only underwater ocean laboratory, Aquarius, owned by NOAA and located in the Florida Keys National Marine Sanctuary.



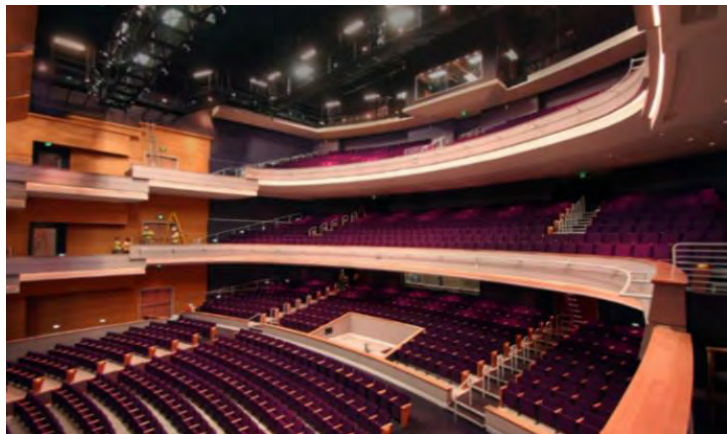
UNCW is a comprehensive level I university in the 16-campus University of North Carolina System. It is accredited by the Southern Association of Colleges and Schools and offers 55 bachelor’s degrees in 49 majors, 42 master’s degrees, and two (2) Doctoral programs. New in 2016, UNCW will begin offering two (2) new doctoral programs, Doctor of Philosophy and Doctor of Nursing Practices. UNCW is funded with State appropriations and receives federal funds for research and financial aid programs. UNCW had a fall 2015 enrollment of 14,969 full-time-equivalent undergraduate and graduate students.

UNCW has maintained its top 15 ranking as one of the best overall universities in the South, as well as its top 10 ranking as one of the best “public” institutions in the South according to *U.S. News and World Report*. For the first time, UNCW received recognition from the U.S. News & World Report’s “2016 Best Colleges for Veterans” list, ranking 14th among Southern universities and placing fourth among public universities on that list. In August, the university celebrated the opening of its new Military Resource Lounge, which offers coffee and study space for military-affiliated students. UNCW has been named one of the “Best in the Southeast” on Princeton Review’s “2014 Best Colleges Region by Region” list and also made the list for “Best 297 Business Schools”.

Cape Fear Community College (CFCC) was founded in 1958 and is accredited by the Commission of Colleges of the Southern Association of Colleges and Schools. CFCC’s main campus is located in historic downtown Wilmington on the banks of the Cape Fear River. There is also a north campus in north New Hanover County. CFCC is the 6th largest school of the 58 colleges within the North Carolina Department of Community Colleges System. CFCC offers 132 academic programs that lead to a two-year degree, one year diploma or certificate. These programs include college transfer, technical and vocational programs that serves over 28,000 students every year. CFCC’s enrollment in credit programs is 9,300 part-time and full-time equivalent students. Registration for fall 2015 classes was 8,851 students. CFCC has 587 full-time employees and employs 600-800 part-time employees at various times throughout the year. CFCC offers hundreds of continuing education courses as well. Free programs include basic skills, adult literacy, GED preparation and job skills to name a few. CFCC’s Small Business Center offers free seminars for entrepreneurs and small business as well as free business counseling services. CFCC purchased a research vessel in the CFCC’s Marine Technology Program in the fall of 2013 and set off on its inaugural training cruise on September 9, 2013. The research vessel was acquired utilizing state equipment funds, institutional funds and private donations from the CFCC Foundation. Funding for CFCC is provided through the County, State and Federal governments.

CFCC recently opened its **Humanities and Fine Arts Center**. The opening night Gala was held on October 3, 2015 and featured performances by Liza Minnelli and the North Carolina Symphony.

Other events scheduled include Jackson Browne, Gaspard & Dancers, Joseph and the Amazing Technicolor Dreamcoat, and Disney’s Beauty and the Beast. Located on Third Street, the fine arts center houses 1,500-1,600 seat venue that hosts Broadway touring productions, concert, symphonic performances, recitals, symposiums, and other events. While the center is the largest performance space in southeastern region of North Carolina, the primary focus of the facility is on student learning and academic growth. The students have opportunities to work behind the scenes with the major performances brought to the venue.



CFCC's new **Union Station** opened August 16, 2013. The Union Station project was the first building funded by the \$164 million bond referendum passed by New Hanover County voters in November 2008. The bond funds are being spent locally to provide more job training opportunities for the community. Union Station is located at the corner of Front and Red Cross Street. The 250,000 square foot building features more classrooms for general college classes, expanded health care training labs, a simulated operating room and hospital setting to train future health care workers, student services center and a new parking deck.



RECREATION AND LEISURE

The City operates 39 parks throughout the City consisting of 418 acres, 16 athletic and event facilities with 326 acres, and 89.11 acres of landscaped greenspace in 18 locations. Facilities throughout the city provide opportunities for physical activities, social interactions and increased sense of community through individual and team activities that improve quality of life. In all, there are seven trails with 25.50 miles winding throughout the City. The **Gary Shell Cross City Trail** runs 14 miles through the City and provides a safe pathway for walking, jogging, and biking. **Halyburton Park** is 60.49 acres of long leaf pines with a paved 1.3 mile path around the park. The facility sponsors educational programs featuring local wildlife. **Piney Ridge Nature Preserve** is a



3.12 acre tract of land that the City has leased long term with the North Carolina Coastal Land Trust. Phase I of the park development includes an ADA accessible passive park with a pervious .25 mile concrete walking trail, wooden overlook, interpretive signage and the **Stanley Rehder Carnivorous Plant Garden**. The path winds through a manmade carnivorous plant preserve featuring pitcher plants, venus fly traps, sundews, and sphagnum moss. The **Althea Gibson Tennis Complex** at Empie Park has 19 lighted courts and a 1,500 square foot

clubhouse with a lounge, meeting room, and snack counter. The recreation department operates three pools and the **Northside Splash Pad** during the summer months for all to enjoy. The Splash Pad is free of charge, is fully automated with zero depth and includes geysers, water cannons, dumping buckets, and much more.

The **Wilmington Municipal Golf Course (Muni)**, was designed by Donald Ross in 1926 to provide the public with a quality championship 18 hole golf course. In April 2014, Architect John Fought worked to restore Muni to the original Donald Ross design. The \$1.5 million renovation was the first total restoration since 1929. The most significant work was the improvement to the greens complexes. Before the renovation the greens averaged a little over 2,500 square feet and now are more like 4,500 square feet. Some trees were removed to improve airflow and sunlight. People can now enjoy an authentic Ross course in Wilmington for under \$40.



The **Miracle Field** is located at **Olsen Park**, consisting of 88.87 acres, is a joint City/New Hanover County park. The field has a special rubberized turf playing surface that enables individuals with mobility impairments to participate in a variety of different sports. Unlike miracle fields in other parts of the country, the Wilmington field was built to accommodate adults as well as children. Users of the field include children from special education classes, nursing home residents, and veterans' programs participants including Wounded Warriors and Special Olympics athletes.



Next to the Miracle Field is the **Kiwanis Miracle Playground**, which is the largest accessible playground in the southeast. The playground was funded with a combination of Wilmington and New Hanover county Bond funds, donations from the Kiwanis Club and Wilmington Believes in Miracles campaign. This facility includes a family restroom building, a fully accessible viewing stand, five softball fields, an outdoor volleyball court, and concessions.

Greenfield Lake Park is 190.99 acres and has many activities to keep the family busy. The Trail around the lake is 4.5 miles and can be rented out for events. Paddleboats can be rented out to view the lake and bird watch. You may even spot an alligator. There is a 9,000 square foot concrete skate park consisting of multi-bowls with a banked street course. The park features a variety of hips, rails, and ledges. The park is open six days a week offering both day and night skating, as well as BMX biking on Sundays. The **Fragrance Garden** at Greenfield Park is a beautiful location for a wedding or special event.



Adjacent to the Fragrance garden is the **Hugh Morton Amphitheater**. In 2008, this facility underwent a \$1.2 million renovation that included a cover for the stage, an adjoining stage house with shower and dressing facilities, new concession and restroom buildings and new landscaping. The venue seats 900, with a maximum capacity of 1,200, and is handicapped accessible. On the schedule this year is Greensky Bluegrass, Warren Haynes, ALO, and Ben Folds.

Dram Tree Park was developed to celebrate the Dram Tree (a bent cypress tree covered in Spanish moss) that stood several yards out in the Cape Fear River. The Dram Tree was a landmark to mariners from the colonial times meaning that an incoming vessel had successfully passed the dangerous Frying Pan Shoals at the mouth of the Cape Fear River. According to tradition, ships paused near the Dram Tree, and sailors were allowed to have a dram of rum or grog, to either celebrate a safe passage or to toast to a safe return while sailing out. The Dram Tree was destroyed in the 1940s by dredging of the river. In 1988 the City opened Dram Tree Park in its memory and a young cypress was planted in its memory. The park and newly improved boat launch offer parking spaces for cars and trailers. There is open space to watch the bridge go up and big ships coming and leaving the Port City.



Each year for the past 17 years, on the second Sunday in November, Wilmington plays host to the **Battleship Half Marathon and Battleship 5K races**. Both races start and finish at the Battleship North Carolina, right across the Cape Fear River from downtown Wilmington and is a benefit for American troops. The Half Marathon leads a picturesque path that crosses 2 bridges, goes through historic downtown Wilmington and around Greenfield Lake with the 12-mile mark at the top of the Cape Fear Memorial Bridge which is the highest point on the course. River Taxis and Trolley buses shuttle runners from downtown to the Battleship and back. Custom-designed Battleship Half Marathon Finisher Medals are presented to runners by US Marines in their dress blues! This race is USATF-certified and brings around 2,400 runners and the streets are lined with many more spectators and support teams.

And for the more hardcore athlete, the City is home of the **PPD Beach 2 Battleship Triathlon**. This race has been named one of the top five (5) iron distance triathlons in the world by Triathlete magazine and one of the top 20 triathlons by Men's Health magazine. The race finishes downtown each year in October and draws approximately 2,300 racers and thousands of visitors from around the world.

Wilmington Hammerheads is a professional soccer team based in Wilmington. Founded in 1996, the team competes in the Eastern Conference of the United Soccer League. **Legion Stadium**, a multi-purpose sports complex, has been home to the Hammerheads since 1999. The primary support group for the Hammerheads is the Port City Firm and they are known as one of the most dedicated and loyal fan groups in the USL Pro League. Fans of all ages can count on having loads of contagious fun at a reasonable cost.



Legion Stadium is also home to the **Wilmington Sharks**, one of nine teams in the Coastal Plain League. Set in the picturesque Cape Fear region, the Sharks provide affordable family entertainment in a minor league atmosphere. **Buck Hardee Field** at Legion Stadium is an elite baseball venue in Legion Stadium. The baseball field's dimensions are 336 feet down the left field line, 366 feet to dead center field, and 339 feet down the right field line.



On September 22, 1981, the baseball field at Legion Stadium was renamed in honor of Buck Hardee, an area American Legion baseball coach. Hardee won five American Legion state championships in his time as coach of Post 10 Legion baseball. Because it is home to the Sharks, the park is more commonly referred to as "The Shark Tank."

PUBLIC SAFETY

The public safety services for the City are provided by an accredited police and fire department. Both agencies have the primary responsibility for providing a safe and secure environment that allows its citizens to live, work and play. While each department provides unique services to our City such as fire and police support, they also work in concert during critical incidents and serve as first-responders.

The **Wilmington Police Department** is headed by veteran Police Chief Ralph M. Evangelous. The 321 member agency is managed through three major sections; Office of the Chief, Patrol Services Bureau and Investigative Services Bureau. Each section works collaboratively to provide the best policing service to more than 114,000 residents and the thousands of motorists who visit the Port City daily.

In calendar year 2014, our officers responded to more than 174,000 calls for service, Part 1 Crime fell by 6% and juvenile crime by 26.5%. Our officers investigated more than 4,382 traffic crashes and detectives recovered more than \$600,000 in stolen property. This



would not have been possible without the strong support and partnerships we share with residents, businesses, community organizations, and partnering law enforcement agencies.

The department continues to seek opportunities to enhance community policing partnerships and explore new innovative ideas for positive citizen engagement through neighborhood watch groups, citizen-police dialogue circles and minority recruitment efforts. A full-time Police Activities League (PAL) officer has been assigned to coordinate athletic programs that impact more than 500 local youth each year.



The department continues to seek opportunities to enhance community policing partnerships and explore new innovative ideas for positive citizen



The **Wilmington Fire Department** is led by Fire Chief Buddy Martinette. The 220 personnel are managed in three divisions; Operations, Support Services and Administration. The Operations Division consists of fire suppression personnel and the Safety Section. Support Services oversees the Training Division, Fire and Life Safety, Community Risk Reduction, and the Maintenance Facility. Administrative Division includes the Office of the Chief, Accreditation, Public Information and Information Technology.

In calendar year 2014, the fire department responded to 12,792 calls for service. These responses included 6,956 Emergency Medical incidents and 490 fire related responses. Total losses due to fires was \$5.69 million, but the amount saved exceeded \$300 million. The department had more than 67,500 hours of training and conducted one recruit class of new firefighters.



In late 2014, construction began on a new fire station located on Cinema Dr. to replace two aging stations recommended for replacement in a 2008 facility study. This station is expected to open in November 2015. WFD conducts two Citizen Fire Academy's each year to allow residents to gain knowledge on how the fire department operates. The academy includes hands-on training to provide them a better understanding of what the fire department does on a daily basis.



The Fire and Life Safety Section provides fire safety inspections of businesses, plan reviews of new and existing buildings, and conducts fire investigations. The Community Risk Reduction section plays an integral part in the department efforts to reduce fire and unintentional injuries. This section also provides assistance to the Operations Division by involving fire personnel to reduce risks in their first-in response area. The fire companies evaluate hazards in their areas and develop plans to address those risks. Community Risk Reduction also coordinates all public education for our citizens to include fire extinguisher training, smoke alarms installations, fire drills, school visits, and station tours.



LONG-TERM FINANCIAL PLANNING

The City seeks to consistently maintain a strong financial position as evidenced by its AA+/AAA/Aa1 by Fitch, Standard and Poor's and Moody's respectively. This objective requires regular long-term planning of operating and capital requirements for its major general government and enterprise programs. In doing so, the City relies on key financial policies and procedures for dealing with future events in financially responsible ways.

Annually the City adopts a 5-year Capital Improvement Program (CIP) that looks ahead to project and plan for capital needs addressing both project needs and financial strategy. Major areas covered by the CIP are transportation, parks, storm water utility, downtown infrastructure improvements and general public improvements. In Fiscal Year 2013, a five year budget plan was adopted that established a five (5) cents property tax set aside which funds 80% debt service and 20% pay-go for the \$41.1 million of new tax-supported projects in the CIP. In FY 2015, the voters approved a \$44 million Streets and Sidewalks Bond Referendum with a two (2) cents property tax set aside.

A key financial goal of the City for many years has been the maintenance of an unassigned General Fund balance of at least equal to or greater than 15% to 20% of the total annual operating budget of the General Fund. In addition, the City has desired to appropriate a consistent level of fund balance each year resulting from positive budget variances. These goals are met in the fiscal year 2014 results that are built into the 2014-2015 operating budgets. A number of financial models are also used in the budget process and provide a means of projecting long-term resource requirements. These include a debt model, a parking fund model, a cash flow model, rate sensitivity analyses and financing pro formas. Other practices followed are designed to avoid the meeting of recurring expense needs with one-time revenue resources and to ensure an ongoing mix of pay-as-you-go funding of capital needs with long-term debt.

MAJOR INITIATIVES

Public Facilities

The Wilmington Convention Center (Center) Complex offers a prime new coastal choice to conventions in North Carolina with a view of the Cape Fear River and the north end of Wilmington's historic downtown district.



The Center's operation includes over 107,000 square feet of function space, an adjacent Event Lawn and an attached 578 space Parking Deck. The Center's main service feature is the food & beverage operation; SAVOR...Catering by SMG, which has set the new standard for quality in catering and service in this region.

So far through September 2015, the Center has more than 130 events tentatively or definitely booked, including 10 conventions. The annual number of attendees is projected to be 59,500 for 2016.

Convention Center						2015 vs. 2014
Event Types	FYE 2011 (a)	FYE 2012	FYE 2013	FYE 2014	FYE 2015	% Growth
Convention/TS/Conference	7	9	8	14	9	-35.7%
Public Shows	11	12	14	16	14	-12.5%
Meetings/Other	19	32	37	25	39	56.0%
Banquets	36	60	83	64	93	45.3%
TOTALS	73	113	142	119	155	30.3%
Attendance	45,616	66,400	80,104	73,423	85,246	16.1%
Total Room Nights	3,068	3,774	5,731	9,128	13,324	46.0%
Repeat Users	0	17	77	46	69	50.0%

(a) 1st Year of Operation November 2010 - June 30, 2011
Source: Wilmington Convention Center

A variety of change in event numbers was experienced in fiscal year 2015, which lead to overall greater revenue. Some of the highlights include:

- Although the number of conventions were down in 2015, the number of attendees was similar to 2014 and the room nights were up.
- The downturn in the number of conventions of 9 in 2015, reverts back to the average number of conventions we have seen in years prior to 2014. With the anticipation of the new adjacent hotel to be completed in April 2017, the convention numbers are expected to steadily climb up again.
- There was a growth in banquets with 93 standalone food & beverage functions this year and room nights was 3.5 times higher than in 2014. This was based on popularity of the Center and pure number of banquet functions.

- Military Balls throughout the year were up slightly with 25 events generating approximately 17,000 in attendance and a major source food & beverage revenue. This is attributable to all-inclusive price packaging offered, popularity, and the consistency of product.
- The Center hosted 22 wedding events this year which is the greatest number to date. Weddings were up due to site popularity, special packages offered, larger space offered, and customer service.
- Public shows also reverted back to the FYE 2013 number which may be attributable to date availability.

Significant features are the Center's dramatic interior design with red cedar walls and ceilings, reminiscent of its historic regional use in boat building. The Center also features enhanced specialty lighting as well as a maritime themed photo and art display which reflects the historical local imagery and industry from our past that shaped Wilmington's future. The Center's fine business reputation is on the rise in the association industry as a premium choice for conventions and meetings. The Center has earned a number of awards since opening, including the Convention South 2011 New & Renovated Meeting Site Readers' Choice Award. The Center is also LEED certified, meaning it is a "green" or environmentally-friendly building.

Water and Sewer Consolidation

In September 2005, a resolution was concurrently approved by the Wilmington City Council and the New Hanover County Commissioners declaring the intention of the two bodies to form a separate authority to consolidate water and sewer operations. In June of 2006, the two bodies created a Water Sewer Advisory Committee to guide the consolidation effort. In May 2007, the Wilmington City Council and the New Hanover County Commissioners each adopted resolutions creating a water and sewer authority to consolidate the water and sewer systems of the City, the County and the New Hanover Water and Sewer District (the "District"). The articles of incorporation for the Cape Fear Public Utility Authority (the "Authority") were approved by the State of North Carolina on July 2, 2007. An Interlocal transition and operating agreement was approved by the City, the County and the Authority in January, 2008. This agreement provided for the transfer of the water and sewer assets and liabilities of the City, the County and the District to the Authority. This transfer took place on July 1, 2008.

Private Development

South Front II is an adaptive reuse/conversion of existing industrial buildings totaling 58,000 square feet to 53 residential units located at 1510 S. 3rd Street. The property was recently rezoned to UMX, Urban Mixed Use to allow for the development. The development is currently under review by the City.

Echo Farms Apartments is a 184 residential units located at 4010 Carolina Beach Road. The Subdivision Review Board will review this development at its November 18, 2015 meeting. The development is currently under review by the City.

Fortune Place Subdivision is a 94 lot single family residential subdivision located in the southern part of the City at 4900 Gatepost Lane. The City's Subdivision Review Board approved the preliminary plan for this development at its August 19, 2015 meeting. The engineering plans are currently under review by the City.

Echo West Subdivision is a 93-lot single family residential subdivision located in the southeastern portion of the City at 4060 Independence Boulevard. The City's Subdivision Review Board approved the preliminary plan for this development at its May 20, 2015 meeting. The engineering plans are currently under review by the City.

Summerwalk is a 26.25 acre residential and commercial development located at the intersection of Greenville Loop Road and Oleander Drive. Approximately 20.46 acres of the property is zoned to allow 123 dwelling units (19 single family detached housing units and 104 townhome units). The remaining 5.79 acres is zoned to allow for 62,400 square feet of retail and office space. The City's Subdivision Review Board approved the preliminary plan for Phase 1 of the project, consisting of the 123 residential units at its July 15, 2015 meeting. The engineering plans are currently under review by the City.

Westfall Apartments is a proposed commercial district mixed use development with 121 multifamily residential units and an approximate 1,400 square foot commercial use. The property is located at 1817 Sir Tyler Drive, and the project is currently under review by the City.

Aspen Heights is an 82 unit multifamily development proposed for property located at the intersection of Randall Parkway and S. Kerr Avenue. The plans are currently under review by the City.

Embassy Suites is a 186 room full service hotel, adjacent to the Wilmington Convention Center, located at 9 Estell Lee Place and is currently being reviewed by the City. The hotel will feature meeting spaces as well as a full service restaurant and a roof-top bar /outdoor space.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wilmington for its comprehensive annual financial report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing achievement with the highest standards in government accounting and financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Wilmington has received a Certificate of Achievement for thirty-two consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We especially express our appreciation to Cristal Jenkins, Alice Johnson, Chiemi Glazener, Denise Chambless, Katherine Dimopoulos and Theresa Lashley for their efforts and contributions to the preparation of this report and to Jennifer Isbell for the cover design.

Respectfully submitted,



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