

Pride of Kinston, Inc.

Report to the Board of Directors

June 28, 2007

In taking stock of the 2006-2007 fiscal and program year, we find Pride of Kinston, Inc. in very good shape, poised with new leadership headed by Alison Merritt, to continue the momentum we built throughout the year now ending.

It has been a busy and productive period for downtown, and for Pride.. ..laying the groundwork for even greater advances in the coming year as we work in partnership with government and investors to achieve the overall goal: restoration of our downtown as a thriving, vibrant center for social and business interaction.

BUDGET: Our budget is in good order as we continue an excellent trend: revenues exceeding expenses. We budgeted income and expenses for the year at \$350,051. As of June 15, 2007 actual revenues exceeded \$374,000 while expenses stood at \$324,500.

Marketing and promotions budget continues as a standout opportunity to grow local support: The earned income budget for special projects like the *Run for the River* and the *Sand in the Streets* concert series was set at \$8,000 but the actual through June 15, 2007 stands at more than \$24,000. In this same report last year this time, I reported that Marketing and Promotions had collected nearly \$16,000 in earned and donated revenue and again, mainly due to the popularity of *Sand in the Streets* and the *Kinston 8000 Run for the River* race in March. This also

includes a donation of \$2,300 to support the *Run for the River*.

NEW YEAR: While the 2007-2008 budget does require that we--like our partner the City of Kinston--utilize a percentage of our fund balance, or if you please, our investment fund, we will begin the 2007-2008 fiscal year with nearly \$107,000 in savings, our fund balance, 24% of planned total expenses, illustrating a fiscally sound position.

ORGANIZATIONAL OUTREACH: I feel that Pride, in the past 12 months, has achieved an excellent level of community support.. ..demonstrating your wisdom last year in amending the By Laws to enable citizens from throughout the community to serve on this board. Restoring Kinston's downtown is vital to the entire community, not just for those within the 27 blocks of the MSD. The decision to add board members from outside downtown was a major step in this objective.

This outreach vision became alive in the faces and the hands of hundreds of volunteers who came out to help us in various projects throughout the year: Civic activists who came out last Fall to help us determine priorities in the Kinston Waterfront – Now! vision offered through the excellent partnership with the NCSU College of Design. Volunteers who came out to help with Sand in the Streets. Volunteers to help with the Run for the River (nearly as many volunteers as runners). Volunteers who came out in impressive numbers to help with our two Downtown Clean-Up Days. And Pride certainly enjoys the interest and support of its work by the 22 volunteers who serve on the Board of Directors and the other non-board members who serve on our committees.

MEDIA: Pride has enjoyed excellent media support throughout the year, with a number of activities and initiatives earning reportorial and editorial support. I mention in particular Pride's vision pertaining to the economic potential right at our doorstep, namely the Neuse River. Our river, an asset which has lain dormant for too long, can be the same kind of incubator as envisioned for the building in which we meet in today, the Kinston Enterprise Center. And remember, it took several years for the idea of this facility to become reality.

There is nothing so powerful as an idea whose time has come!

BRIEF SUMMARY OF SPECIFIC ITEMS OF MERIT:

1. We followed through in our commitment to donate a valuable piece of property to the Last Firebase Veterans Archive Project as the site of the replica of the CSS Neuse, a positive conclusion to a relationship which was at times very challenging.
2. We launched (and will continue) a partnership with Fairway Billboard company to promote downtown Kinston to the traveling public throughout the county.
3. We re-designed the Pride website and launched a successful (and cost efficient) e-mail newsletter.

4. As mentioned earlier, we received the visionary report from the NCSU College of Design outlining wonderful options for development projects along a 5-6 mile stretch of the Neuse, and along the way garnering serious interest in our hopes and plans by key folks in Raleigh and Washington. The community at large has played an important and active role in this initiative as it continues to gain momentum.
5. We went looking for ideas as well: Pride delegations traveled to Raeford and Washington, NC, as well as to Greenville, SC to see first hand how other communities went about implementing their visions for riverfront developments, or downtown streetscapes.
6. We produced several Christmas season events including a radio advertising campaign to encourage shoppers and diners to spend their holiday dollars in downtown Kinston.
7. We re-designed the Façade Grant program to enable Pride—when funds permit—to assist downtown building owners with roof and interior renovations as well as helping with exterior improvements...and along the way, we forged a new partnership with the City of Kinston's Appearance Commission.
8. We trimmed downtown trees again, and replanted the planters with new greenery and flowers along Queen and Heritage Streets...with the help of the Home Gardeners Club...and we are in the midst of refurbishing the Welcome to Kinston sign on South Queen and the landscaping around the structure.
9. We paid the artist's fee for executing the public art mural recently completed on the side of Christopher's Restaurant.

10. We financed the development of a schematic illustration of how a Herritage Street, with underground power lines, brick sidewalks, new lighting fixtures, and new landscaping could look...and shared it with an activist band of Herritage Street merchants who are interested in revitalizing that moribund organization.
11. Pride, through its Property Development Committee and largely through the leadership of its members John Marston and Ely Perry, made significant strides in formulating a new parking lot between Queen and Herritage Streets to accommodate customers not only for the Community Health Center but also customers for businesses in this end of Queen – Herritage – Blount Streets. The coming year should see this project come to fruition.
12. We launched an expanded *Sand in the Streets* concert series for the summer of 2007, beginning with tonight's performance of the locally popular and talented group of musicians who call themselves Spare Change. We have assembled an excellent lineup of talent which carries us through to Sept. 20 when The Embers take to the stage to conclude the season.
13. We hosted, in partnership with the City of Kinston and the Kinston-Lenoir County Parks and Recreation Department, the 2nd annual *Run for the River* March 24, 2007 and set the date for the next race at March 29, 2008. As mentioned earlier, we enjoyed the support of 175 runners who signed up and 165 volunteers...almost as many volunteers as runners. It was a great day. And here again, the volunteer members of Pride's Outdoor Events Team are the reasons this initiative has become so popular in the community.

14. We provided facade grants for two Queen Street businesses, one for a new business on Herritage Street. We anticipate more requests for the grants program as three new enterprises open this summer on that specific shopping district.
15. There are new owners of businesses on Queen Street who have signaled their desire for Pride assistance, including the new proprietors of a coffee shop to open in the old Pride offices at 311 N. Queen.
16. Very soon, the Kinston Enterprise itself will complete a make-over of its front doors when a new awning is placed over the front of the building. And we are working with two adjacent building owners to complete the awning treatment to re-vamp the appearance of this entire block.
17. And the concluding item here is among the most illustrative of how a creative Pride of Kinston can work: Using our capacity as a non-profit entity, we facilitated the acquisition of two buildings adjoining the site already owned by the State of North Carolina in order to provide a more adequate space for a new Civil War Museum in downtown Kinston.
18. With help from the City of Kinston and Lenoir County, the Gunboat Association is now clearing the site to make it ready for the new museum when funds are secured. In that regards we partnered with others including the Chamber of Commerce and the Gunboat Association in an effort to secure funds from the NC General Assembly.

"The Structure of Hope is built on the Scaffolding of Dreams. "

ACQUISITIONS: The Bylaws mandate that we report to you at the end of each year the properties acquired during the year. We acquired 429 N. Queen Street with an appraised value of \$25,000; We also sold, as planned, the building which houses the excellent restaurant Chef and the Farmer for \$47,500.

And as mentioned earlier, we sold the lot we owned at Herritage and Gordon Streets for \$1 to the Last Firebase Veterans Archives Project as the site for the CSS Neuse replica.

2007-2008 Challenges

There are a number of issues and challenges which will require close attention in the coming months.

- The hard work of implementing the priorities which have emerged from the Kinston Waterfront -Now! vision: a pedestrian bridge connecting the town side and the Neuseway Nature Center, a river walkway from King Street to the old power plant; and expansion of the Nature Center into a major outdoor classroom for nature and the environment.
- The prospect of assisting with roof and interior renovation has excited many downtown building owners, and we hope to eventually secure the diners and tourists into Kinston's downtown. The coming year will be a period when we can refine our approach at attracting new business downtown.

- Working with businesses and entrepreneurs to continue our mission to attract new business into our downtown, bringing new shoppers and diners and tourists into Kinston's downtown. The coming year will be a period when we can refine our approach at attracting new business downtown.
- We will be hosting a downtown Design Workshop in October, inviting business, civic and political leaders to a Main Street-run seminar on how to encourage appropriate design matters in the downtown.
- We obviously need to work on our approach to Lenoir County to achieve deserved support from our county government, and the people in Lenoir who have a stake in downtown's success...whether realized or not.
- To continue making improvements in our organization's efficiencies.
- These and other challenges will require the continuation of vital partnerships we have established over the years. It will require keeping our eyes fixed on the dreams, and hard work to build the scaffolding to make them come true.

Adrian King Executive Director