
Centralina Economic Development Commission
Comprehensive Economic Development Strategy

Background Report



NO BOUNDARIES.

July 2007



Centralina Economic Development Commission
1300 Baxter Street – Suite 450 – Charlotte, NC 28235



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Executive Summary

The Centralina Economic Development Commission, incorporated as a public non-profit in 2005, is designated as the Economic Development District for the Centralina Region. This report reflects updated information and is based on work completed by Angelou Economics, Inc. in 2004. A Regional CEDS Committee oversaw the development of this document and the Regional Comprehensive Economic Development Strategy (CEDS) for the nine-county region of Centralina. The Economic Development Administration (EDA), the Centralina COG, and the Centralina Economic Development Commission funded this report, and all nine counties have provided their input throughout this initial assessment.

A CEDS is a plan that emerges from a broad-based continuous planning process that addresses a region's economic opportunities and constraints. The guidelines for developing a CEDS include effective general planning practices that can be used by any community to direct its economic growth. A CEDS is a prerequisite to be eligible to receive funds from the EDA, a division of the U.S. Department of Commerce.

The *Background Report* is the first of two reports comprising the CEDS, providing an overview of the region's strengths, challenges and opportunities for improving its economy. The second report, *Action Plan*, includes regional economic development recommendations. Both documents use the *No Boundaries* report, adopted in October 2004, to establish baseline conditions.

Major findings that are discussed further in this report include:

- ✓ Improving workforce skills and basic education should be a top priority for the region.
- ✓ Regional economic development approach is strong.
- ✓ Location and transportation network are tremendous assets.
- ✓ Entrepreneurial efforts are expanding.
- ✓ UNC Charlotte is a growing regional asset.
- ✓ Significant recreation and tourism assets exist throughout the region.
- ✓ Air quality is a serious challenge, but it unifies the region around this issue.
- ✓ The motorsports industry is strong and tied to workforce, education and economic development.
- ✓ Manufacturing continues to play a strong role in the regional economy, but employment in that sector will continue to contract.

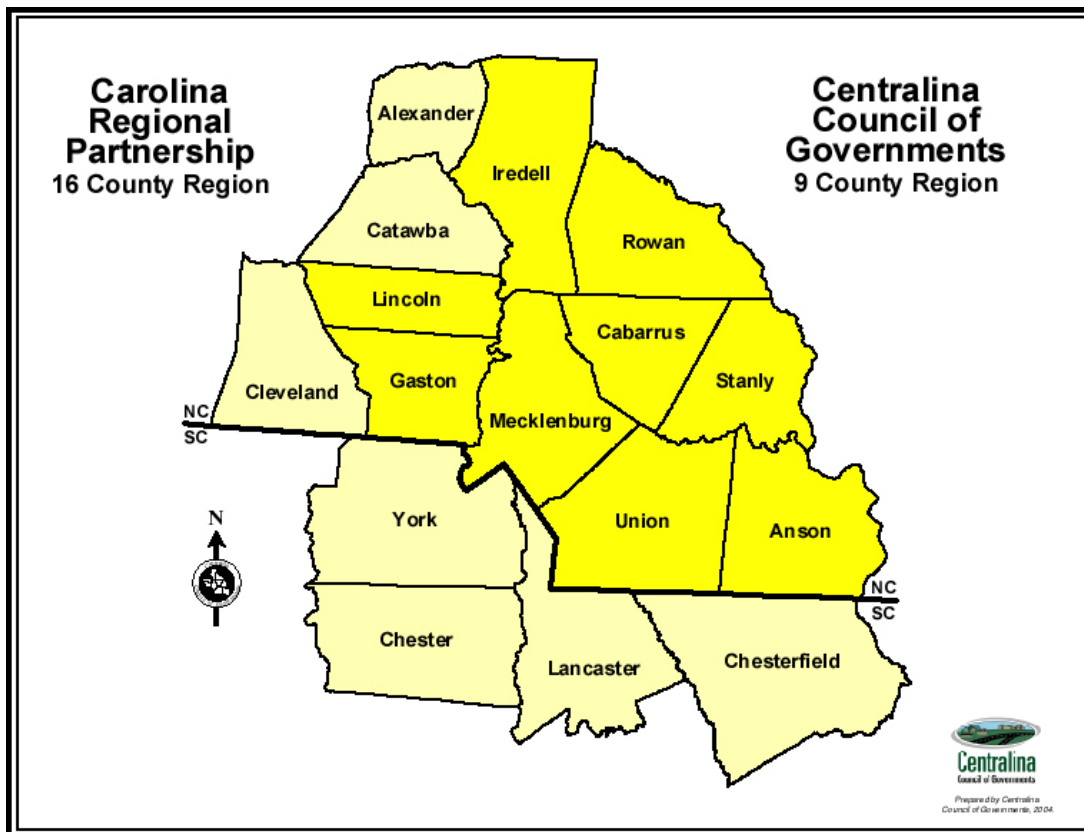


Introduction

The purpose of the Centralina Regional CEDS Project is to develop a regional strategy for improving the economy of the following counties that make up the Centralina Council of Governments (COG):

Anson	Iredell	Rowan
Cabarrus	Lincoln	Stanly
Gaston	Mecklenburg	Union

Although these nine counties comprise the geographic area of the Centralina Council of Governments region (denoted in bright yellow below), they are also part of a larger economic region, referred to as the Charlotte Regional Partnership, which includes seven other counties, including four counties in South Carolina. This report focuses primarily on the Centralina Region, yet some of the assessment information and preliminary recommendations address the entire Partnership region.



What drives our regional economy?

The Council on Competitiveness tells us “Competition in today's economy is far more dynamic. Companies can mitigate many input-cost disadvantages through global sourcing, rendering the old notion of comparative advantage less relevant. Instead, competitive advantage rests on making more productive use of inputs, which requires continual innovation.

In our global economy, place matters more than ever. Even as technology, capital, and knowledge diffuse internationally, the levers of national prosperity are, in fact, becoming more localized. As talented people and new ideas become the most critical drivers of economic growth, regional economic conditions have assumed greater importance. Regions that can attract talented residents and support the development of highly innovative firms will support great prosperity. Regions that rely on low-cost labor and basic extraction of natural resources will not. While the U.S. has many successful regions, America is also home to many areas that do not offer the environment necessary to support productive firms -- and the higher salaries those firms offer. We are becoming a land of innovation haves and have-nots.

Addressing this challenge requires a shift away from traditional economic development models. Instead of low-wage rates and tax incentives, regions in industrialized countries compete today on the quality of their skilled workforce and incentives that reward innovation.” (The Council on Competitiveness, January 2007, www.compete.org)

How do regions prosper and grow jobs and investment?

- **Successful regions leverage their unique mix of assets to build specialized clusters:** Successful regions do not pick winners, but build on their inherited assets (e.g., geography, climate, population, research centers, companies, governmental organizations), to create specialized economies that both differ from other regions and offer comparative advantages to local companies.
- **Building strong regional economies takes decades:** There are many steps in building a regional economy – developing inherited assets, creating new assets, linking companies to these assets, attracting outside companies – and this process takes time.
- **Institutions for collaboration play an important role in building regional economies:** Institutions for collaboration help build regional economies by facilitating the flow of information, ideas, and resources among firms and supporting institutions.

(Excerpted from *Clusters of Innovation: Regional Foundations of U.S. Competitiveness*, a report of the Council on Competitiveness written by Michael E. Porter, Harvard University.)



A word about clusters:

Clusters are geographic concentrations of interconnected companies and institutions in a particular field. Clusters encompass an array of linked industries and other entities important to competition. They include, for example, suppliers of specialized inputs such as components, machinery, and services, and providers of specialized infrastructure. Clusters also often extend downstream to channels and customers and laterally to manufacturers of complementary products and to companies in industries related by skills, technologies, or common inputs. Finally, many clusters include governmental and other institutions - such as universities, standards-setting agencies, think tanks, vocational training providers, and trade associations - that provide specialized training, education, information, research, and technical support.

(Excerpted from *Clusters and the New Economics of Competition*, Harvard Business Review; Boston; Nov/Dec 1998; Michael E. Porter.)



Purpose of Report

The purpose of a CEDS is to identify regional economic development strategies on which communities within a region can collaborate to bring about sustainable economic prosperity.

The primary benefit in having all nine counties of the Centralina COG participate in the development of a CEDS is the establishment of an Economic Development District (EDD), an increase in the region's competitiveness for federal grants, and a decline in the region's required local level match for federal grants. Additionally, EDDs receive annual funding that can be used for additional economic development planning and implementation of recommendations that will be developed from this planning initiative.

The first phase of developing an action plan builds a baseline for the region. The purpose of the Background Report is to provide the region with a thorough understanding of where it is today, what its competitive advantages and assets are, and what areas need improvement.

OVERVIEW OF A COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

CEDS are designed to bring together the public and private sectors in the creation of an economic roadmap to diversify and strengthen Regional economies. The CEDS should analyze the Regional economy and serve as a guide for establishing Regional goals and objectives, developing and implementing a Regional plan of action, and identifying investment priorities and funding sources. Public and private sector partnerships are critical to the implementation of the integral elements of a CEDS. As a performance-based plan, the CEDS will serve a critical role in a Region's efforts to defend against economic dislocations due to global trade, competition and other events resulting in the loss of jobs and private investment.

(Excerpted from *Federal Register* Vol. 70, No. 54, Section 303.7.)



Methodology

The report investigates the region's economic conditions and perceptions of the region that was gathered during its interviews, focus groups, regional tours, and meetings with the CEDS Advisory Committee. It also considers how closely those perceptions align with the economic and demographic information.

Combined, the economic and demographic assessment and the qualitative analysis form the foundation for the recommendations offered in the second report.

The *Background Report* is structured around six factors critical to the region's future success:

Economic and Demographic Trends. Quantitative variables that describe demographic and economic trends and outlook for the region. Topics explored include: population growth, ethnicity, wages, and industry trends.

Quality of Life: Issues that influence an existing or potential resident to live in a community or a company to expand or relocate in a particular area. Topics explored include: cost of living, cultural/recreational/entertainment options, crime rate, diversity of housing, and the environment.

Workforce & Education: Programs and delivery of services by organizations and institutions involved in workforce development and education including K-12 education, community colleges, universities, and workforce development boards/organizations. Topics explored include: educational attainment, communication and collaboration between workforce/education organizations, economic development organizations and the private sector, resource allocation, and effectiveness of service delivery.

Economic Development Efforts: The activities of local, regional and state organizations involved in any form of economic development activity. Topics explored include: external promotion and marketing, internal promotion, and resource allocation.

Business Climate and Entrepreneurship: Variables that impact the business success and activities of local and regional organizations involved in entrepreneurship activity. Topics explored include: tax rates, regulatory climate, R&D activities, entrepreneur education and promotion, small business lending, and business plan competitions.

Geography and Environment: Infrastructure, as well as site-specific infrastructure to support business expansion and development. Topics explored include: transportation (roads, rail, air), utilities (water, wastewater, electricity and gas, telecommunications), land and real estate, and industrial sites.



Public Participation

The community's perceptions of the Centralina region as a place to live and work are important to understand when developing a regional plan such as this CEDS. Public input gathered from businesses identifies specific problems that must be addressed in order to retain local companies.

Industry Focus Groups and Network Meetings

Numerous focus groups with businesses were held throughout the region, including:

- Manufacturers met in Union County, Cabarrus County, and in Charlotte where input on key issues was discussed;
- Three networking meetings to discuss community needs in regard to the bioinformatics and biotech industries were held during the past year. Public Education systems, community colleges, and
- Three network meetings were held in Mecklenburg County for the logistics industry, which was identified, in the previous CEDS as a target industry.

Regional Visioning Project

- A forty member regional committee met four times to agree on an overall regional vision and develop a strategy to implement the vision. All of which is described in a report entitled *Connect: The Greater Charlotte Bi-State Regional Visioning Project, (November 2006)*.

Interviews

Approximately 38 interviews have been held with individuals, including private sector CEOs, elected officials, economic development professionals, university and community college representatives, and researchers from key industries.

Advantage Carolina Progress

Carolina Competitiveness Forum

This forum was sponsored by Duke Energy to primarily discuss the future role of manufacturing in the Carolinas, how to build the Carolinas' competitiveness, and how to drive economic development transformation. Information from this forum has also been incorporated into this assessment report.



Initial Findings

The Centralina region has tremendous assets and is transitioning from a traditional manufacturing economy. There are, however, issues that will hamper the region's success if they are not effectively addressed. The *No Boundaries* report completed in 2004 first identified the following major issues that were evaluated during the CEDS process in 2007.

Issues presented that will impact the region's economy in future years:

Improving workforce skills and basic education should be a top priority for the region.

The most critical economic development issue in the nation is the current and projected gap between the employer demand for workforce skills and employee skill sets. This issue is most glaring in regions such as Centralina where skills employed in traditional industries such as textile and manufacturing are no longer in as much demand as they used to be. These traditional skill sets do not match up well with industries that the region has targeted for future growth or with the fastest growing occupations in the technology and medical fields. It is very important for regional leaders to understand that nearly 20% of national businesses require a baccalaureate while close to 80% require skills and educational attainment below a baccalaureate. The community college system in North Carolina is excellent. The region is well served by these institutions, but more collaboration among community colleges, the University of North Carolina at Charlotte, and school districts is needed – especially in sharing best practices and acquiring state, federal and other funds. Literacy issues should be of paramount importance to the region. The region needs to develop and fund creative ways to increase literacy in all the counties. **Reading and basic skills are the most important aspects of a workforce. The North Carolina workforce ethic is of course strong and wages are competitive but a business leader needs to know that the job can get done and that employees can learn on the job.**

Regional economic development approach is strong.

Fortunately for the region, there is a good balance of both private and public sector participation in economic development programs. The Charlotte Regional Partnership is a very effective organization. The regional brand – “Charlotte USA” – is good at drawing attention to the region. The organization is well staffed from the top down, and the board is a high level, business-focused group. The counties support the Partnership and their initiatives, and the local economic development groups collaborate with the Partnership on economic development initiatives. The Centralina Economic Development Commission plays a role in economic development as an Economic Development District. Weaknesses that are being addressed are: connecting the economic development message and target industries to the UNC Charlotte's core competency centers, embracing a more proactive selling of target industries and connecting the R&D competencies to high tech programs.

Location and transportation network are tremendous assets.

The Charlotte region is one of the premier distribution hubs in the Southeast. The region is served by four major interstate highways and is within a 24-hour drive of more than 56 percent of the nation's population. The Charlotte/Douglas International Airport is one of the busiest passenger airports in the world, and the rail network is also one of the best in the U.S. There are needed improvements in the transportation network that are being addressed, including increased investment in public transportation, but this infrastructure is one of the region's best assets. **There are tremendous opportunities to elevate the significant distribution/warehousing cluster to a more value-added product into Advanced Logistics. Secondly, there is an opportunity to enhance this network through improvements at the airport and in the intermodal system that would only enhance the region's**



competitiveness in distribution and logistics.

Entrepreneurial efforts are fledgling yet expanding.

Angel Investment groups are few and far between. Many entrepreneurs have mentioned during the course of this project that they have had to go outside the region for investment. The numerous “Committees of 100” that exist in several counties provide some of these services within their respective counties, but a more holistic regional collaboration focused on entrepreneur development is very much needed. **The region cannot afford to be deficient in its entrepreneurial efforts. A separate and focused entrepreneurial strategy should be developed for the region.**

The University of North Carolina at Charlotte is an important regional asset.

UNC Charlotte’s research capabilities and links with the business community are significant. UNC Charlotte, in response to earlier findings, has expanded its outreach efforts to regional businesses. The Charlotte Research Institute moved into larger facilities and offers increased space for commercial collaboration. The new Bioinformatics Center is under construction. The Charlotte Research Institute has opened an office at the new North Carolina Research Park in Kannapolis. The University has a new program called, Open for Business, which is the gateway to University resources for local businesses.

Significant recreation and tourism assets exist throughout the region.

Every county in the region has a tourism asset. From the Lowe’s Motor Speedway in Cabarrus County, to the beautiful city of Salisbury in Rowan County, the region has a bounty of assets. Mecklenburg County gains the lion share of tourism revenue, with its downtown and sports-related amenities. The newly reorganized Charlotte Regional Visitors Authority intends to extend its reach beyond the borders of Mecklenburg County to promote regional tourism. Although it will be a challenge from a resource perspective, this type of **regional tourism will undoubtedly have a larger, positive impact on the region’s ability to capture tourism than any one single county in the region can achieve alone.**

The motorsports industry is strong and tied to workforce, education and economic development.

NASCAR is one of the fastest growing sporting events in the U.S., and North Carolina is home to nearly 90 percent of the racing teams. Several racing facilities exist in the region, including Lowe’s Motor Speedway, and estimates put the industry’s impact on the region at more than \$5 billion. Nevertheless, it is estimated that less than half of the industry’s revenue is spent in North Carolina. Existing efforts of UNC Charlotte, community colleges, economic development groups and others should be aimed at capturing more of this industry’s economic impact.

Finally, the Charlotte region must become more assertive as an economic development destination and create the necessary vision and find the determination not to merely be competitive, but a trend setter and a leader in economic development. The region must think and believe that its peer communities are the top economic development destinations in the nation today (regions such as Dallas, San Diego, Seattle, Atlanta, Denver, and Chicago) only then can the region truly reach its full potential.



Background of the Region

Economic and Demographic Trends

The Centralina region is diverse in many respects. As the following pages illustrate, the nine counties are very different in industry and demographic composition. However, the counties are tied together in many ways. The region includes cities of all sizes, workforces of all skill levels, and industrial traditions ranging from textiles to banking. The first portion of the Economic and Demographic Trends section focuses on the entire region's demographics.

The second portion of the Economic and Demographic Trends section focuses on the Charlotte-Gaston-Concord metropolitan statistical area (C-G-RH MSA) and five selected benchmark metro regions: Austin, Dallas, Denver, Jacksonville, and Phoenix. It is important to understand how this smaller metropolitan region compares to regions with whom the Charlotte area should aspire to compete.

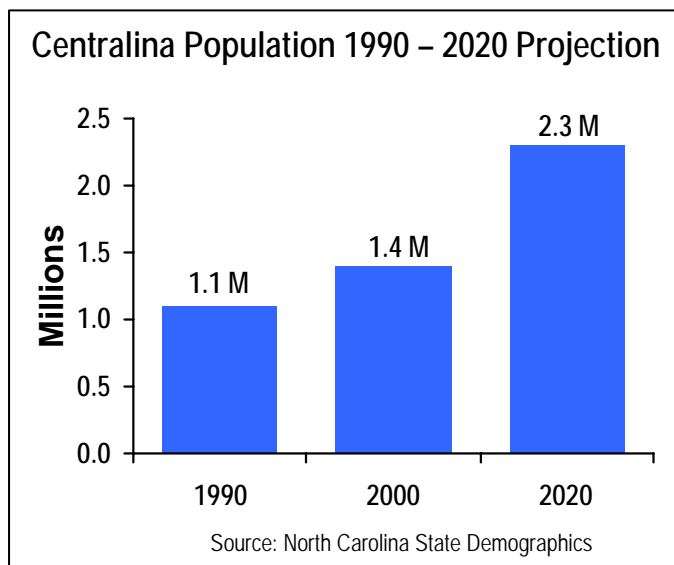
The following are economic and demographic highlights of the Centralina region:

- **The region is experiencing rising populations, increasing by 26 percent during the 1990s. Another 900,000 people will be added by 2020.**
- **This rapid growth has led to a commuter culture, with large numbers of people traveling into Charlotte each day for work. In-commuters hold one-third of all jobs in Mecklenburg County.**
- **The Centralina region is transitioning to a service-oriented economy. Currently in Centralina, there are five times as many service jobs as manufacturing jobs.**
- **The most troubling outcomes of this transition have been the mass layoffs and plant closings in traditional manufacturing.**
- **Centralina's continuing challenge: fostering new economy industries while simultaneously providing opportunities to displaced workers who have traditional manufacturing skills.**



Growth in the Centralina region has been rapid over the past twenty years and is projected to continue.

- The total population in the region was 1.14 million in 1990 and had grown by 26% to 1.44 million by 2000.
- Estimates by the State demographer place Centralina’s population at 2.3 million by the year 2020.
- This growth is astounding and has placed five of the counties in the region (Union, Mecklenburg, Iredell, Cabarrus and Lincoln) among the 20 fastest growing in North Carolina.



Centralina is a multicultural community.

- Hispanics are one the fastest growing segments of the local population, and current population estimates are more than eight times larger than what they were in 1990.
- 7-1/2 percent of the population is of Hispanic ethnicity.
- Racially, Centralina looks very much like North Carolina, with white and black residents accounting for most of the population. 68 percent of area residents are white, and just over 21 percent are black.
- With an increasingly multicultural community, an important issue to address is cultural competency, or how a region embraces this change and people of different ethnicity, age, and gender.

Population by Race / Ethnicity

	White		Black		Other		Hispanic	
	1990	2005	1990	2005	1990	2005	1990	2005
Centralina	78.1%	68.0%	20.3%	21.3%	1.6%	3.2%	0.9%	7.5%
North Carolina	75.6%	68.3%	22.0%	21.8%	2.5%	3.5%	5.9%	6.4%
United States	80.3%	66.9%	12.1%	12.8%	7.6%	5.9%	13.8%	14.4%

Source: US Census Bureau, 2005



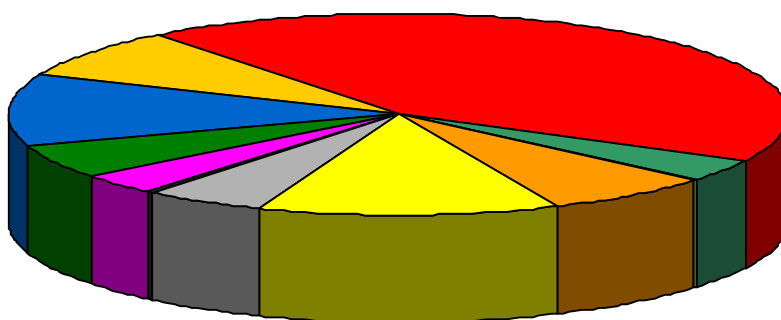
Workforce Development

The Centralina region is served by three Workforce Development Boards who serve their specified counties.

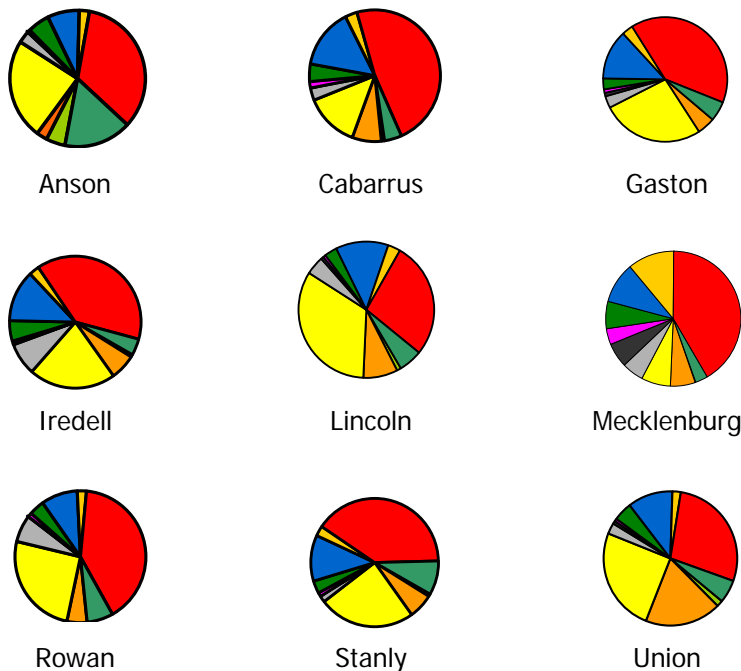
The Competitive Workforce Alliance is the workforce network for the greater Charlotte Region, comprised of the Centralina Workforce Development Board, the Charlotte-Mecklenburg Workforce Development Board and the Gaston County Workforce Development Board. The Alliance is representative of 9 counties including Anson, Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly and Union. The group's study also consists of data from the South Carolina counties Chester, Lancaster and York, as well as Cleveland County, NC.

Regional Employment By Industry

- Agriculture, Forestry, Fishing, Mining (0.4%)
- Construction (6.7%)
- Manufacturing (12.7%)
- Transportation (4.9%)
- Utilities (0.4%)
- Communications (3.1%)
- Wholesale Trade (5.8%)
- Retail Trade (11.2%)
- F.I.R.E.* (8.0%)
- Services (43.1%)
- Public Administration (3.7%)



Workforce Composition By County



Source: Employment Security Commission, 2006

The following information on Workforce Development is excerpted from *The Workforce Network for the Charlotte Region: Building a Competitive Workforce Advantage for the Region*, 2005 Executive Summary, pp. 7-9, a report of the Competitive Workforce Alliance.

A well-prepared and career-aware workforce will maintain economic vitality.

The Story: Learning, Awareness and Readiness for a Changing Environment

- Education and learning beyond high school is perhaps the single most important factor influencing economic prosperity.
- As change and restructuring to companies, occupations and industries becomes more commonplace, all levels of workers need ongoing training and learning opportunities to ensure they have the skills and experience to remain employable throughout their lifetime.
- Companies require workers with the right mix of skills and interests, and the workers have the ability to “learn to learn.”
- Partnerships among industry, educators, employers, and community-based organizations to promote career awareness have increased effectiveness of the education and training system.

The Challenges

- Leadership and employer interviews reflect a general perception that the education and training system needs a lot of improvement. Employers are satisfied with the performance of the community colleges, career and technical education programs, and four-year programs. Employers consistently express concern regarding the preparedness of graduates from the secondary systems in the region.
- Roughly one-third of the students entering North Carolina’s community college system in any given year are taking remedial education courses.
- There is a misalignment in the Charlotte Region between the market demand and actual supply of workers trained in technical and skilled trades. There are more workers with Bachelor’s degrees than jobs available, and there is a need for more technically skilled workers to meet market demands.
- Many employers around the region are participating in some type of career awareness program, but participation is not consistent in form. There is no systemic approach or evidence of any career awareness programs.

Writing the Next Chapter

- The region must continue to develop the core skills of the region’s workers as the cornerstone of a competitive workforce.
- As the sophistication of technical jobs grows, access points must be provided for the technology have-nots to bridge the digital divide. It is the capacity of the entire workforce to engage in technical, digital, and knowledge work that will define the region’s competitive attractiveness on a global stage.
- Better understanding of career availability and educational demands is needed to stem the increasing number of “backwards transfers” – four-year degree holders enrolling in community college seeking technical skills and training.
- Creative partnerships across business, education, community residents and government will allow regional leaders to organize resources quickly and differently to ensure that all workers have the skills and education to support the growth of existing and new companies in the region.



“Growing your own” helps offset impacts of global change.

The Story: Small Businesses are Key

- Nearly three quarters of the 40,000 plus private sector businesses in the Charlotte Region employ less than 20 employees. Over half of the region’s private sector employment is found in businesses that employ less than 100 people and nearly a quarter of the jobs are found in businesses employing 50 or fewer employees.
- A key component of a region that fosters small business and entrepreneurship is the pervasiveness of networks and the breadth of education, information, mentoring, services and access to capital that those networks provide.

The Challenges

- Nationwide, networking is not recognized as a crucial asset for small business success. Instead, institutionalized support is for entrepreneurship centers and business incubators.
- Access to capital and regulatory red-tape are universally cited as barriers by entrepreneurs.
- While entrepreneurship was a focal point of project interviews and dominated many conversations, there is no region-wide coordinated strategic planning effort to foster the next generation of entrepreneurs.

Writing the Next Chapter

- Regional leadership needs to aggressively take up and expand the discussion on entrepreneurship to sharpen the focus and broaden the response to this widely-cited need. Coordinating education, workforce, and community resources to promote entrepreneurship opportunities may be one of the most effective approaches to attracting younger workers to the region and providing new employment opportunities for the region’s mature workforce.
- The Community Forums included suggestions to incorporate awareness of entrepreneurship options and skill development into educational curricula at all levels. Another creative suggestion was the creation of an online university for entrepreneurship.



Transportation Network

The Centralina region has an exceptional transportation network, including an airport with a major airline hub and a state and federal highway system that provides good access to major markets throughout the southeastern United States.

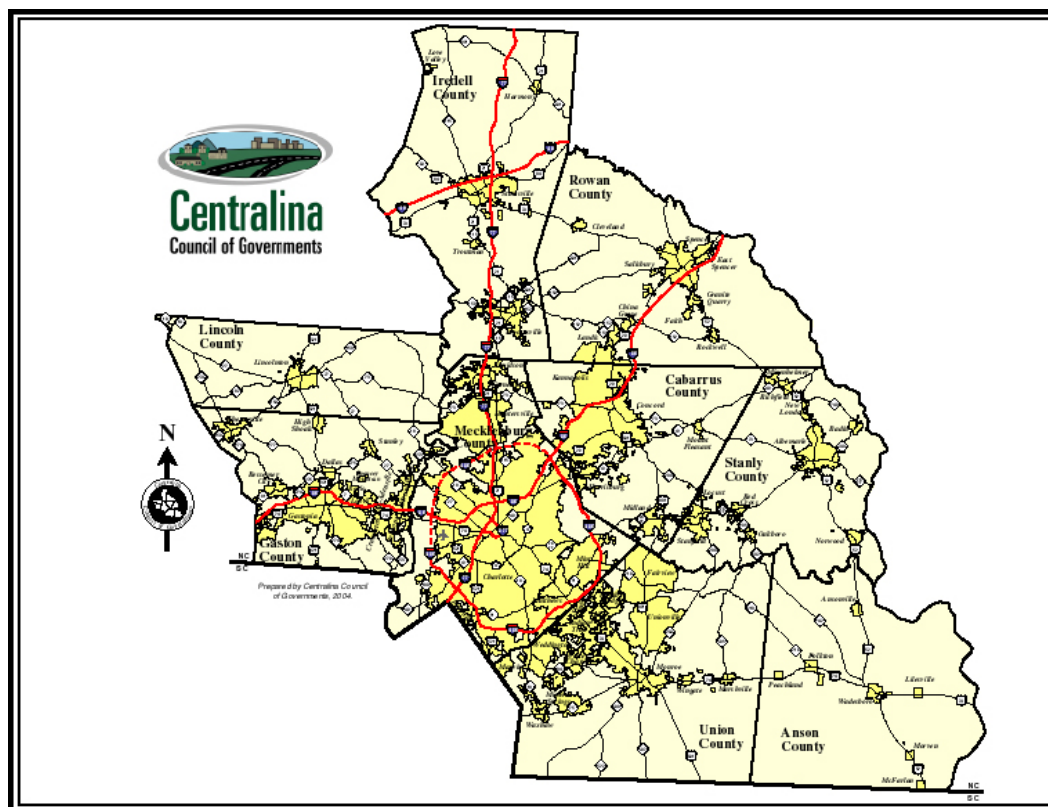
Roads

With three major interstate systems and excellent state highways, the region is the second largest trucking center in the Southeast and ranks 11th nationally. North Carolina is in the process of building a 60-mile outer-belt that will link many highways and roads. The region lies at the junction of two major north-south interstate systems, I-77 and I-85 with east-west interstate I-40 just forty miles north.

Several highway improvements are underway, with plans for several others throughout the region. For example, I-85 is being widened to eight lanes and will have a huge impact on many of the counties in the region. **Expansion of Hwy-74 is a needed improvement that will help much of the region.**

Rail

Charlotte boasts that the region has the largest, most consolidated rail system in North Carolina. The region has two major freight railroad lines, including the CSX Transportation and Norfolk Southern with extensive rail networks throughout the region. The intermodal depot in Charlotte has reached its capacity. It would be beneficial for the region to consider areas such as near the airport where a larger intermodal depot could be developed. This would increase the distribution industry and would help the airport to expand its distribution services.



Air

The Charlotte/Douglas International Airport is the sixth largest major airline hub in the nation. With more flights per day per capita, Charlotte ranks first among the top 30 metro regions in the country. Additionally, with daily nonstop service to London, Frankfurt and Paris, it is often said that Charlotte is one plane change away from virtually any major city in the world. Several improvements to this airport are planned or are underway. However, the threat of losing US Airways as a HUB is a very serious issue and an issue that the region should be discussing and dealing with proactively.

The Charlotte/Douglas airport recently heard that they will be receiving \$15.4M in grants from the Federal Aviation administration for safety equipment and to help prepare a third runway. The FAA still must give final approval for the 9,000-foot runway, which will be built on the western border of the airport. The grants will provide funding for other upgrades, including a rescue and firefighting vehicle. The airport's new digital radar system in its air traffic control center, called the Standard Terminal Automation Replacement System retires technology that dates to the 1970s and should improve safety and minimize delays. The system can collect data from up to 16 radars, detail local weather and track up to 1,350 aircraft over a 60-mile radius. The Charlotte airport is among the first nationally to employ the system, which was designed by Massachusetts-based Raytheon Corp.

Several municipal or regional airports exist throughout the region that provide general aviation services, and some offer locations for corporate jet landings and storage.

Commuter Rail

The Charlotte Area Transit System (CATS) was developed to address a need for alternative transportation in the region. CATS currently operates regional express bus services to several adjacent counties. CATS is also planning five rapid transit corridors that could eventually extend into adjacent counties. The North Corridor Commuter Rail project is proposed to extend into Iredell County. A Major Investment Study led by the City of Rock Hill is currently underway to determine the best option for rapid transit between Charlotte and York County, South Carolina.

This system could serve as a test-bed for deployment of the world's first commuter rail application of hydrail technology, provided on-going development of the technology confirms its superior safety and operating characteristics. The region needs additional innovative programs such as this to bring national attention to the region's technology assets.

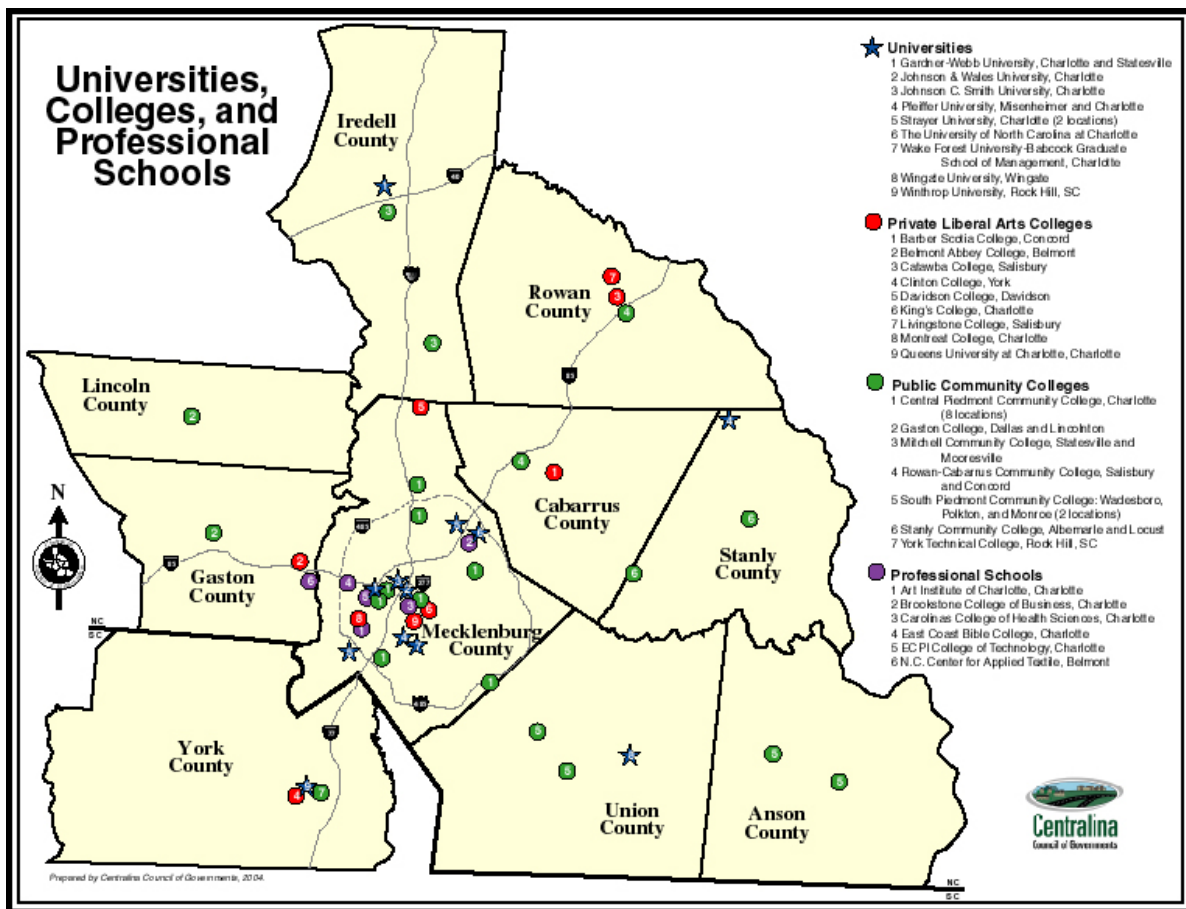


Resources

Workforce Development

Several workforce development boards exist in the region, including Centralina Works, which serves most of the Centralina Region, Charlotte-Mecklenburg Workforce Development Board, and the Gaston County Workforce Development Board. These organizations help in coordinating workforce delivery programs among community colleges, businesses and the public sector. These organizations played a crucial role in retraining displaced workers from those businesses that have recently closed or reduced the number of employees.

The community college system in Centralina is very good, and the Central Piedmont Community College is rated as one of the best in the U.S. Resource allocation for education and workforce providers is a critical issue. Both CPCC and UNC Charlotte appear to be the lowest funded among their respective peers in North Carolina. The private sector supports several initiatives within the Charlotte-Mecklenburg School District, but that type of support doesn't exist as much throughout the region. Some businesses do support business-specific training at the community colleges, but it is becoming increasingly obvious that additional resources are needed. For example, the CPCC had to turn away nearly 2,500 students recently due to resource constraints.



Universities and Colleges

Several public and private colleges and universities exist in the region and provide excellent education. **It is critical to understand the types of business links that exist among area universities and the business sector.** A good regional example is the UNC Charlotte's Lee College of Engineering, which created a motorsports and automotive engineering program in 1998, one year after Rowan-Cabarrus Community College launched the state's first motorsports management technology program. UNC Charlotte's offering has developed more than \$2.25 million in external research and program development related to vehicle technologies. Nineteen faculty members aid the educational efforts of more than 100 undergraduate students enrolled in the motorsports field of study and programs.

The region has a competitive advantage with UNC Charlotte. The university is relatively small and young. The university first began teaching in 1967 and developed its first doctoral program as recently as 1994.

The advantage in being young and small is that the university fully embraces the concept of leveraging its assets for economic development. Not all universities understand this important linkage.

Technical Institutes also abound in the region. Another good model that exists is the NASCAR Technical Institute in Mooresville, which broke ground in 2001. Highlights of this program include:

- It is the country's first technical training school to combine a complete automotive technology program and a NASCAR-specific motorsports program and is the exclusive educational partner of NASCAR.
- It is a \$12 million, 146,000-square-foot training facility located on 19 acres in Mooresville, N.C. – known as Race City, USA – which is 20 miles north of Charlotte. More than 75 percent of the NASCAR Winston Cup Series, Busch Series and Craftsman Truck Series teams reside in the near vicinity.

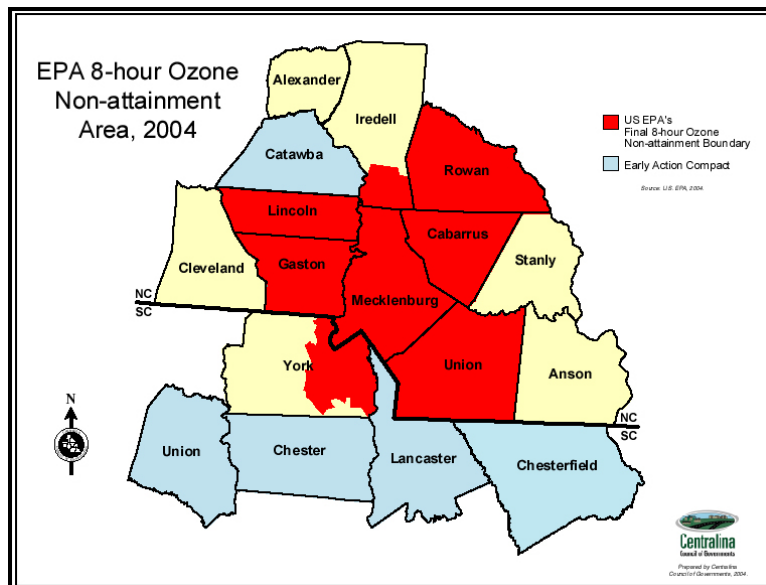
Communication and collaboration between workforce/education organizations and economic development organizations and the private sector is improving. These effort need to continue.



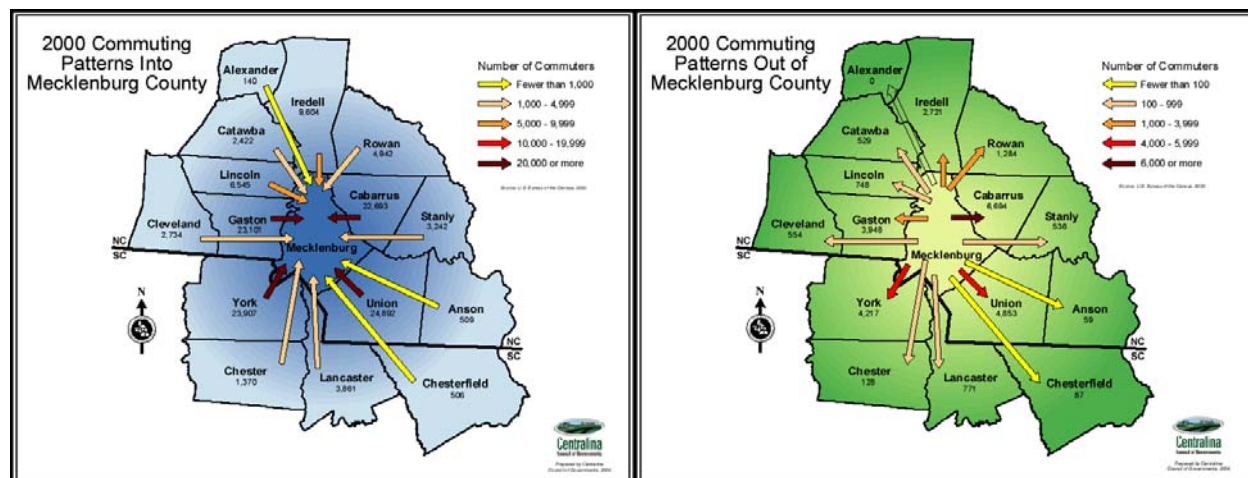
Environment

According to the American Lung Association, Charlotte was the ninth most ozone-polluted city in America in 2002. Portions of the region have recently received a non-attainment status from the Environmental Protection Agency (EPA). EPA recently cited Mecklenburg and seven surrounding counties in violation of the new ozone standard for air quality.

The Centralina COG was awarded a two-phased grant from the EPA that totals over \$700,000 in grant and matching dollars to implement and expand regional efforts to protect the quality of life in the bi-state metro Charlotte region. The program is called Sustainable Environment for Quality of Life (SEQL).



Although issues that impact air quality are diverse, car pollution is universal. As the table and maps to the right illustrate, the region is similar to other urban/suburban areas in the U.S. in commuting for employment, a growing American social trend. The percentage of residents who commute throughout the region has increased significantly from 1990-2000. The largest percentage increase in those who commute outside their county to work was in Anson, Gaston, and Stanly Counties. The largest percentage increase in those commuting into a county occurred in Cabarrus, Iredell, and Rowan Counties. Rowan County also experienced the smallest percentage increase in out-commuters (1 percent).



Geography

The region's climate can best be described as moderate, pleasant and sunny, making weather one of the region's strongest assets. Rainfall is evenly distributed throughout the year with an average annual precipitation of 43 inches. By comparison, Miami has 60 inches and Denver 13 inches. The summer months bring the heaviest rainfall; March is the wettest month, with 4.8 inches; October is the driest month, with 2.7 inches of precipitation. The region's normal summer humidity is 74%, compared to 80% in the central interior of the United States, 77% in Jacksonville, Florida, and 76% in Houston. Yearly morning humidity averages 83%, noon humidity, 54% and evening humidity, 61%.

The Centralina region generally comprises the southern Piedmont region of North Carolina. The Piedmont itself is a rolling plateau that has historically been a strategic corridor in which much of the state's urbanization and industrialization has occurred. Today, three Interstate highways intersect within the region, giving it high-speed access to the rest of the nation in all directions. Charlotte-Douglas International airport, one of the nation's busiest, offers direct flights to most of the country's major cities and to several international points as well. This strategic location, augmented by major transportation system investments, has positioned the region well to share in the strong growth of the U.S. South. This growth is expected to continue into the future.

In the past 15 years, the region has experienced strong and sustained population growth. Projections to the year 2030 indicate that growth is expected to remain robust. A number of significant issues in the region are likely to become more prominent as this growth continues:

- **Land consumption.** Land is currently being consumed at a rate that is four times faster than the rate of population growth.
- **Transportation.** Traffic congestion is on the rise. During the period between 1989 and 1998, vehicle miles traveled increased more than twice as fast as population. In Charlotte, time spent in traffic increased from 17 hours per capita in 1982 to 43 hours per capita in 2003.
- **Air quality.** Several of the region's counties have been designated non-attainment for the eight-hour ozone standards. In the summer of 2006, there were 17 Code Orange days in the region.
- **Economic shifts.** Over the past ten years, the region has seen a huge loss of manufacturing jobs in the textile and furniture business. However, the regional economy remains strong and the region remains the largest manufacturing center in the Carolinas. Other areas of the economy, such as the financial and health sectors, have experienced dramatic growth.

Even though significant steps are being taken to address some of these issues and the changes they bring, it is becoming increasingly clear that the key to addressing these and many other emerging issues rests in the ability for the region to act in unison.

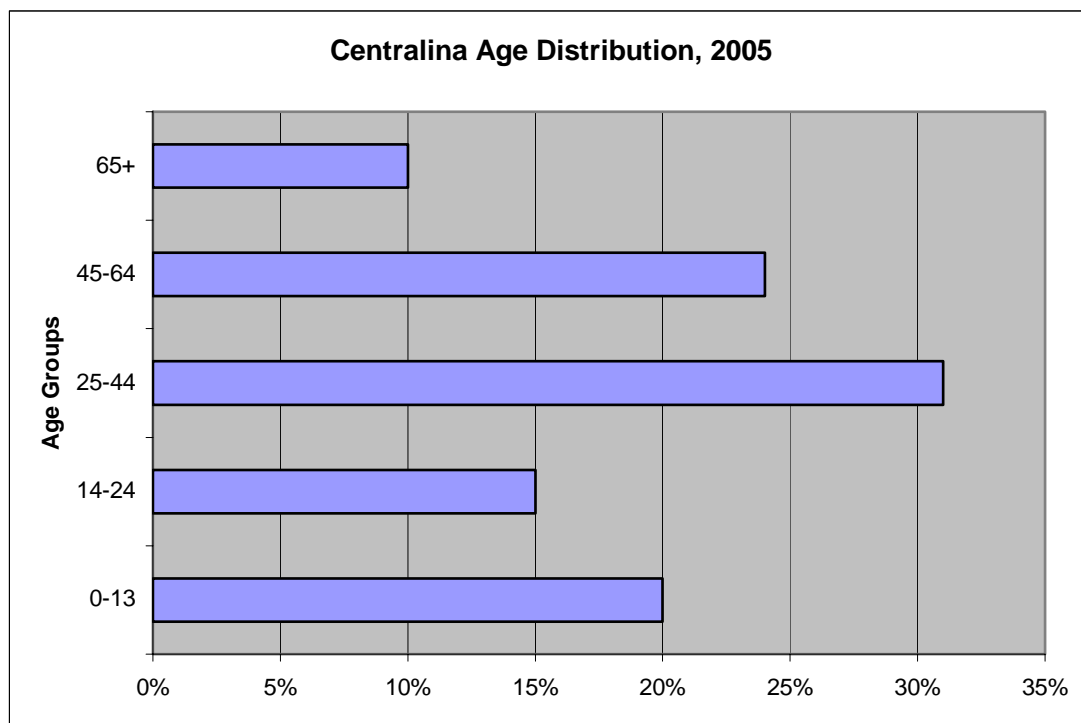


Economic and Community Development Problems and Opportunities

Economic and Demographic Trends

Site selectors for high technology companies seek regions with more than 34 percent of its population between the ages of 25-44. This age group is more willing to take risk, works longer hours, and is often viewed as being more productive than other age groups.

- The Centralina region has approximately 31 percent of its population in this age group – a decline from nearly 34 percent in 1990. This drop in such an important age category should be disconcerting to the region's leaders.
- 24 percent of Centralina residents are of late-career age, 45-64. These residents are typically more stable and have higher incomes; they also have different needs as they approach retirement age. As this group exits the workforce, skilled workers will be needed to take its place.
- Age distribution within Mecklenburg County shows a somewhat younger population. Data from ERSI (2006) indicates that 33% of the workforce is between 25-44. The percentage of workers in late-career age is lower at 23%.
- **The region needs to fully understand what is important to each of these demographic groups and continue to improve its quality of life and marketing. Attracting and retaining the younger demographic will be an important indicator for future economic growth.**



Source: North Carolina State Demographics Unit, 2005



Areas such as the Centralina region that experience rapid growth are often confronted with threats to the local environment and to the overall quality of life. Growth in the region is accompanied by suburban sprawl and a greater dependence on automobiles for transportation. This is especially true in regions such as Centralina, where a strong urban community such as Charlotte provides a major share of employment in the region.

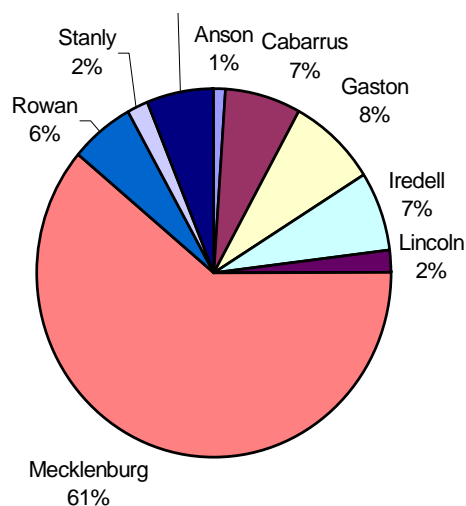
- More than 146,000 people commute into Mecklenburg County each day, a 43% increase since 1990.
- **In-commuters represent one in three jobs in Mecklenburg County.**
- The Charlotte Area Transit System (CATS) provides local, express, and regional express bus service and is developing a five-corridor rapid transit system to offer commuters transportation alternatives to the automobile.

Regional Commuting Patterns

County	% Residents Commuting Out		% Workforce Commuting In	
	1990	2000	1990	2000
Anson	30%	40%	19%	23%
Cabarrus	43%	47%	31%	38%
Gaston	26%	37%	20%	25%
Iredell	24%	31%	17%	24%
Lincoln	48%	52%	22%	28%
Mecklenburg	7%	9%	28%	31%
Rowan	31%	32%	18%	26%
Stanly	22%	32%	12%	17%
Union	39%	47%	25%	28%

source: US Census Bureau

Share of Regional Employment

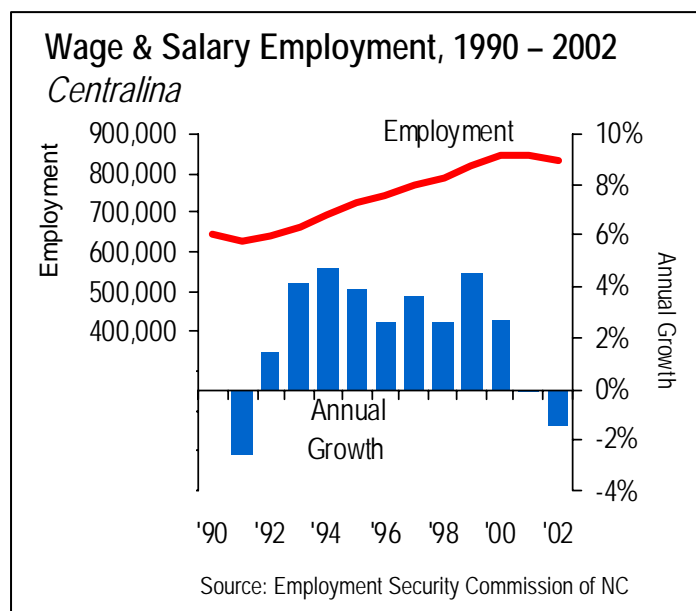
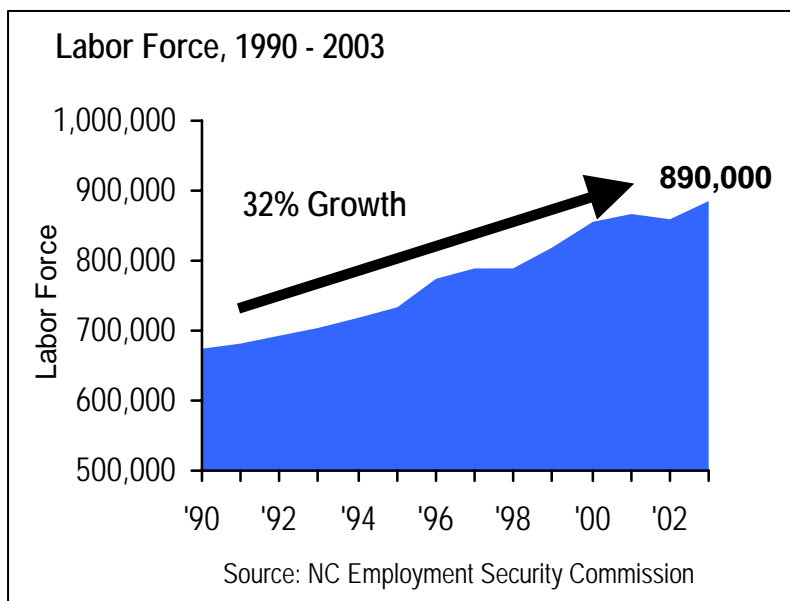


Source: Employment Security Commission of NC, 2005



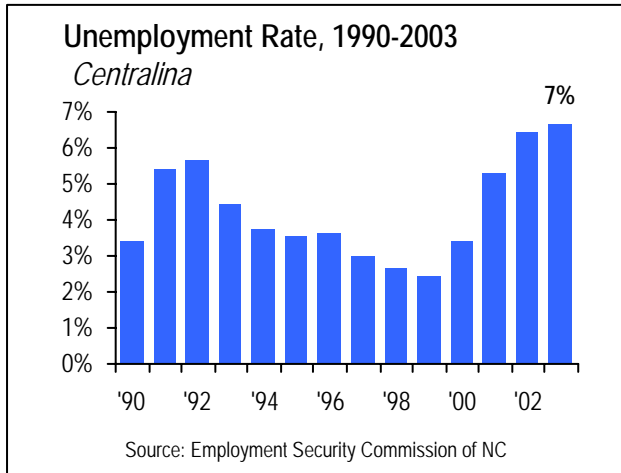
While financial services and the labor force continue to grow, regional manufacturing continues to decline. Mass layoffs, primarily in the textiles industry, have been large enough to lead to a decline in total employment.

- 286 Fortune 500 companies are represented in the region.
- The headquarters of two national banks, Wachovia and Bank of America, are located in Charlotte, making it the second largest financial center in the U.S.
- Labor force has grown to 890,000 since 1990, but annual growth in employment has declined.



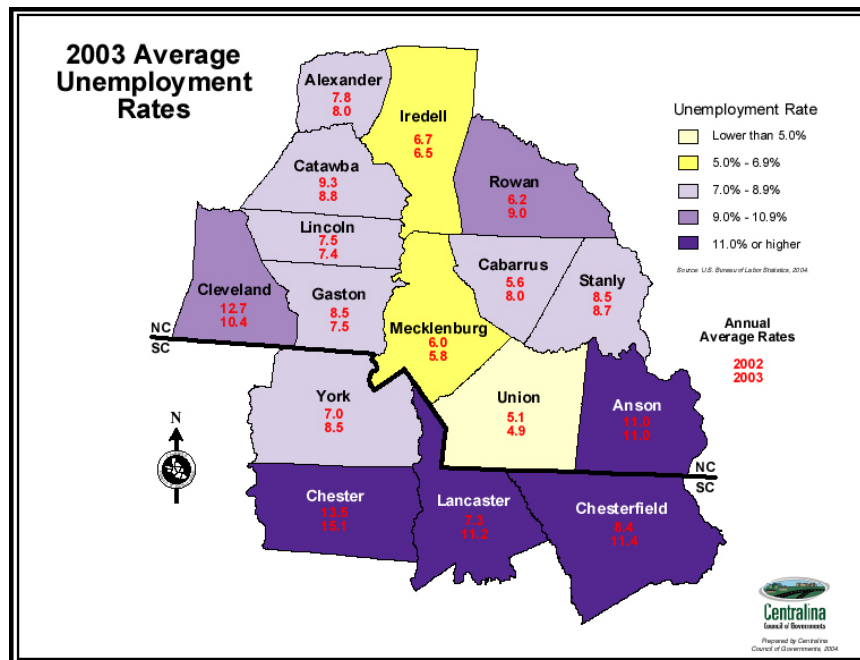
Layoffs have been widespread throughout the region.

- More than 21,000 Centralina residents have been affected by layoffs and plant closures since 2002; over 50,000 people have been laid off since 1999.
- There is a considerable amount of variance between the county unemployment rates: while Union County maintains a relatively low 4.2 percent, Anson County is as high as 11 percent.



	Unemp	Layoffs	
	Rate '03	99-'04	02-'04
Anson	11.0%	449	80
Cabarrus	8.0%	7,590	5,520
Gaston	7.5%	10,074	2,257
Iredell	6.5%	3,617	1,331
Lincoln	7.4%	608	212
Mecklenburg	5.8%	21,448	8,490
Rowan	9.0%	5,491	2,400
Stanly	8.7%	1,576	719
Union	4.9%	963	641
Centralina	6.6%	51,816	21,650

source: Employment Security Commission of NC

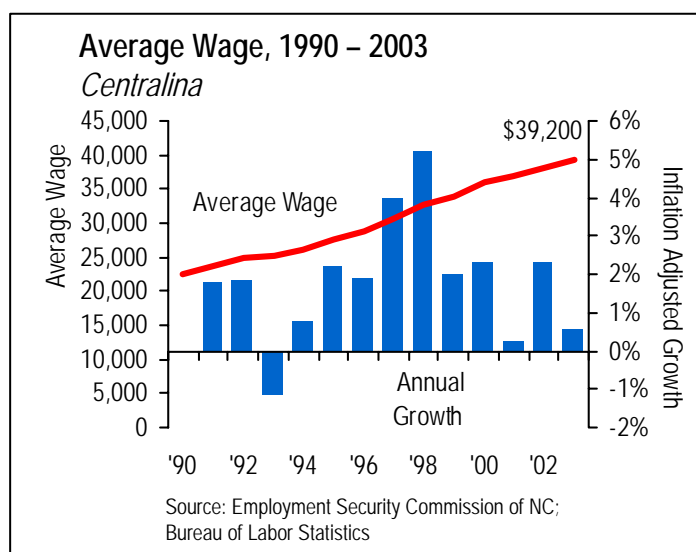


Changes in the economy have reduced upward pressure on wages throughout the U.S. and Centralina region. Slow continual growth in real wages brings higher levels of prosperity to households but keeps labor costs competitive for local employers.

- Centralina is a good example of this favorable trend; wage growth among Centralina counties slowed, but it remains above regional inflation rates.
- Average wages in Centralina are above the averages of North Carolina, South Carolina, and the U.S.
- Much of this is a result of the large local banking industry, which includes several corporate headquarters. These facilities generally pay high wages and bring executives into the community.
- Manufacturing wages, however, are only slightly higher than the North Carolina and South Carolina averages and are well below the national average. The Carolinas remain cost competitive places for manufacturing.
- As the workforce skills gap increases, wages for more advanced skill sets and education will increase.

Average Wage Comparison, 2005			
	Avg Wage, All Sectors	Avg Wage, Manufacturing	Avg Wage, Finance & Insurance
Centralina	\$42,489	\$44,699	\$85,675
North Carolina	\$35,932	\$42,703	\$64,405
South Carolina	\$32,915	\$42,239	\$46,412
United States	\$40,677	\$49,287	\$73,385

Source: Employment Security Commission of NC; Employment Security Commission of SC; Bureau of Labor Statistics, 2005



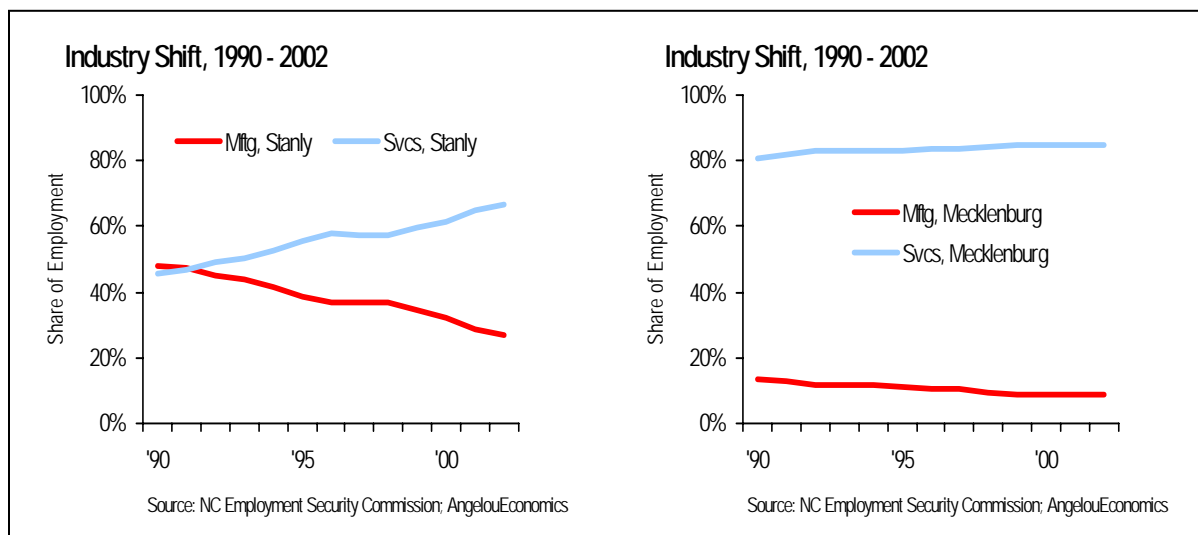
The economy in the Centralina region is changing.

- By 2002, manufacturing represented only 15 percent of total regional employment.
- Roughly 78 percent of Centralina employment is in the service sector; however, these figures are heavily influenced by Mecklenburg County's large job numbers, relatively few of which are in manufacturing.
- In all other counties, manufacturing makes up at least one in five jobs, with the average being closer to one in four.
- Even in the most manufacturing intensive counties (such as Stanly County shown below), the service sector surpassed manufacturing's share of employment in the early 1990s.
- **Manufacturing will continue to be an important part of the regional economy, and indeed, some companies continue to add workers to fill rising orders.**

Composition of Employment, 2005

	% Manufacturing Employment	% Service Employment
Anson	23%	69.7%
Cabarrus	13.3%	79.2%
Gaston	24.2%	70.8%
Iredell	20.1%	73.2%
Lincoln	31.3%	60.2%
Mecklenburg	6.7%	86.9%
Rowan	24.3%	69.9%
Stanly	25.0%	68.0%
Union	22.6%	59.6%
Centralina	12.6%	80.3%

Source: Employment Security Commission of NC, 2005



Workforce Development and Education

Leaders in the Centralina region recognize that workforce and education should be the cornerstones of a sound regional economy. During Duke Energy's *Carolina's Competitiveness Forum*, regional leaders stated that one of the primary barriers for manufacturing growth in the Carolinas is educational training and workforce skill development. Forum participants also stated that high school graduates of North Carolina public schools are not ready for the workplace. During interviews and focus groups, several industry leaders in the region stated that many new workers have less than an 8th grade comprehension. While this is a concern of existing industry leaders in the region, it certainly would be a problem for new business and industry considering locating in the region.

The following are workforce development and education highlights of the Centralina region:

- Regional educational attainment levels are above the national average in most categories, but there is significant disparity of educational attainment levels within the nine counties.
- Dropout rates are on par with the state of North Carolina and the nation.
- North Carolina has a premier community college system and the Centralina region has a community college campus in every county.
- UNC Charlotte is a premier state university that receives the least amount of funding in the UNC system.
- Several other private colleges exist throughout the region and provide liberal arts education as well as other specialty degrees.
- Several technical institutes exist in the region and provide, among other specialties, certifications in the motorsports industry, helping to enhance the workforce in one of the region's targeted industries.
- All of the workforce and education providers need to further collaborate on legislative issues related to funding.

Workforce and Education SWOT SNAPSHOT

Strength:

- ✓ *Community College*
- ✓ *UNCC*
- ✓ *Drop out rates on par with state and nation*

Weakness:

- ✓ *Funding for WF/Education*
- ✓ *Educational Attainment levels in some counties*

Opportunity:

- ✓ *Collaboration*
- ✓ *Private Funding*
- ✓ *Foundation Funding*

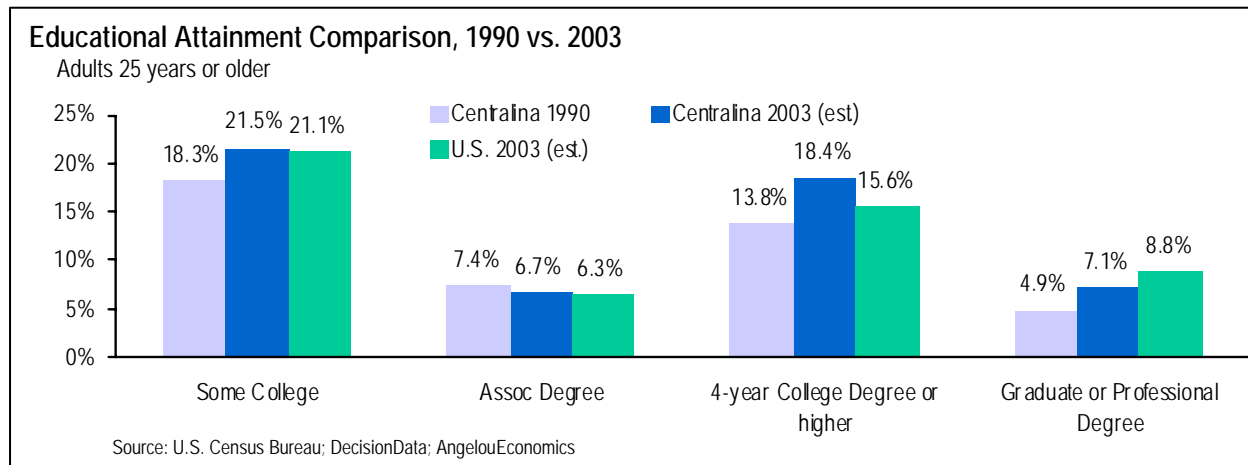
Threat:

- ✓ *Workforce skills gap*
- ✓ *Existing basic skills*



Educational Attainment

The region’s educational attainment levels have increased in all areas from 1990 to 2000, except for associates degrees, in which the region has decreased slightly. In all areas except graduate or professional degrees, the region has higher educational attainment levels than the U.S. average.



A more salient issue that needs to be understood and addressed is the relatively high percentage of adults in some counties with less than a high school education and the issue of illiteracy that is of paramount importance to address.

- While the regional average of adults without a high school education is less than one point above the national average, the variance among counties is quite large.
- Nearly 30 percent of Anson County adult residents have not completed high school.
- Additionally, of the labor force with Bachelors degrees, the region (25 percent) has a higher percentage than the state of North Carolina (22 percent) and the U.S. (24 percent), but this is skewed by Mecklenburg County (36 percent).
- Other counties such as Anson (9 percent) have a much lower rate of bachelor degree holders than the region.
- North Carolina ranked 41st in 1997 and 38th in 1994 in a combined mean proficiency in reading (“*Literacy in North Carolina*”, NC Literacy Resource Center, Mary Dunn Siedow, 1998).

	Less than High School	Bachelors or Grad	Assoc. Degree
Anson	30.1%	9.0%	5.6%
Cabarrus	22.0%	18.8%	7.1%
Gaston	28.8%	14.0%	6.4%
Iredell	21.8%	17.2%	7.8%
Lincoln	28.5%	12.7%	5.6%
Mecklenburg	14.0%	36.8%	6.8%
Rowan	26.0%	14.0%	6.1%
Stanly	26.8%	12.5%	7.0%
Union	19.9%	21.1%	7.2%
Centralina	20.1%	25.5%	6.7%
North Carolina	21.8%	22.5%	6.8%
United States	19.7%	24.5%	6.3%

source: Applied Geographic Solutions, 2003



K-12 Education

Performance in K-12 varies considerably across the region. Perhaps the most critical issue for the Centralina region to address is the poor basic skills and education of high school graduates. In nearly every focus group and interview, the issue of basic skills and reading comprehension came up as an issue of critical concern.

Being able to read is perhaps the most important area to improve in basic education. Without sound reading skills, it is difficult for workers to succeed and continually improve their skills. Resource allocation is one the major obstacles to overcoming educational deficiencies, but the challenge also lies within students' homes. A high school diploma was not always a requirement to work in textile businesses, for example. This mindset still exists throughout North Carolina.

The K-12 providers should also continue to collaborate with the business community and community colleges. One good model in the region to address this issue is within Mecklenburg County. Central Piedmont Community College (CPC) provides feedback to the Charlotte-Mecklenburg County School District on how incoming high school graduates' basic education and skills fare. This type of dialogue between the community colleges and K-12 providers is critical and should be shared throughout the region as a model for incorporating into the education and workforce delivery system.

CPC is also helping with dropout rates among area school districts. In partnership with the school district, they provide skills training to over 300 high school graduates per year as part of their Careers in Transition program. They also hire area school district counselors during the summer to increase the understanding within this key group that workforce skills development is of paramount importance for high school graduates.

It is crucial to launch a regional campaign about the importance of basic skills and high school education as well as increase collaboration among regional workforce and education providers, the private sector, and economic development organizations.

Performance of Centralina School Districts					
	Grades 3-8 End of Grade Composition, 2002		High School		
	Math	Reading	Average SAT, 2003	% Tested	Dropout Rate, 2001
Anson	72.1%	67.7%	886	54.5%	5.3%
Cabarrus	87.9%	83.8%	1037	68.2%	4.9%
Gaston	84.2%	77.6%	980	55.0%	6.4%
Iredell	83.9%	79.1%	991	56.6%	6.1%
Lincoln	85.5%	78.1%	981	49.7%	4.8%
Mecklenburg	82.3%	76.4%	1001	70.0%	5.4%
Rowan	83.5%	78.7%	989	46.5%	4.5%
Stanly	88.1%	82.6%	960	55.2%	4.2%
Union	88.5%	83.0%	1008	62.6%	4.1%
North Carolina	84.4%	79.5%	1001	68.0%	5.2%

source: North Carolina Department of Public Instruction

To reduce the high school dropout rate and encourage disadvantaged or unmotivated students to enter the workforce with adequate education or training, "middle college high schools" offer a combination of necessary high school classes with college level courses or valuable training. Some programs motivate students to pursue higher education after college, but many offer occupational training, an associate's degree or other supplements. These programs give students the necessary skills to enter the job market after finishing high school. Often these programs are intended to benefit financially disadvantaged students who otherwise have little chance of post-secondary education. Supporters see the concept as a way to reinvigorate high school for disadvantaged students and encourage more students to pursue higher education. They believe underachieving high school students who get a more rigorous, challenging curriculum that includes courses taught by college professors will rise to the occasion.



Workforce Skills

Improving workforce skills to meet current and projected employer needs is the most critical issue that the nation and the Centralina region face. The skill sets of traditional textile workers can be transferable to other industries. The issue that focus group participants addressed is how to reach the older workers who have been displaced. The community colleges have done a tremendous job in helping many individuals improve their workforce skills so that they meet basic skill requirements of other industries.

Projections by the United State Labor Department's Bureau of Labor Statistics indicate that the seven fastest growing occupations this decade will all be in technology, and these will be the first to experience the labor shortage. During the rest of this decade and the next, the baby boom generation will retire. The largest generation in American history now constitutes nearly 60 percent of what both employers and economists call the prime age workforce – that is, workers between the ages of 25 and 54. The generations that follow this age group are just too small to take the baby boomer's place.

Workforce providers in the region gave their input on critical issues for the region through an online survey tool that was utilized for this project. Seventy-eight percent of survey respondents stated that *basic job skills* are the highest in demand by areas businesses, followed by *communication skills* (67 percent) and *interpersonal skills* (58 percent). Very few survey respondents rated *employee workforce preparedness* as very good in any of these areas. Twenty-two percent rated *basic job skills* of users of their workforce programs as poor; 34 percent rate their *communication skills* as poor; and 32 percent rate their *interpersonal skills* as poor. Again, these are all areas that are very important to businesses in their search for employees, and the survey reveals a need to continue to address these areas in K-12 and workforce development efforts.



Quality of Life

Quality of life issues are those that influence an existing or potential resident to reside or a company to expand or relocate in a particular area. Quality of life factors¹ are normally not the driving factor in expansion and relocation decisions, yet they do continue to play a more significant role in the decision-making process of businesses. As it was pointed out earlier in this report, the region's share of 25- to 44-year-olds declined from 1990-2000 and studies have found that quality of life factors play an even more important role in this younger demographic. Hence, this group should be a focus of economic development efforts.

The quality of life in the region is very good but not for everyone. The layoffs that have been occurring during the last five years have impacted the capabilities of many individuals to afford housing and healthcare and to take advantage of the numerous cultural and recreational amenities in the region. The quality of life in the region will improve as the economy improves. It is important for the region to focus on quality of life enhancements and preservation for attraction and retention of businesses and young professionals. Additionally, as the economy improves, so will the lives of many of the displaced workers.

The following are quality of life highlights of the Centralina region:

- **The cost of living in the Centralina region varies considerably from county to county and Charlotte is considered fairly affordable relative to its peers.**
- **Air quality is poor in the region. Much of the region is in federal non-attainment yet the region is working together to address this.**
- **The region's natural beauty is a tremendous asset; however, as the area's population grows, much of this open farmland will be utilized for development.**
- **The distribution of home values and the median home value in Centralina is nearly identical to the national average.**
- **The rate of violent crimes in the region is slightly above the national average.**
- **Access to healthcare is a concern for some area residents.**
- **Recreational amenities are plentiful in the region.**

Quality of Life SWOT SNAPSHOT

Strength:

- ✓ *Downtown Charlotte*
- ✓ *Small Towns' charm*
- ✓ *Home Values*
- ✓ *Recreational Assets*

Weakness:

- ✓ *Non-attainment*
- ✓ *Access to Healthcare*
- ✓ *Affordability for Displaced Workers*

Opportunity:

- ✓ *Regional Land Planning*
- ✓ *Regional Tourism Promotion*
- ✓ *Public Transportation Network*

Threat:

- ✓ *Growth Pressures*
- ✓ *Decreasing Percentage of 25-44 year olds*

¹ Quality of Life Factors include: Well-paid jobs, Quality education / life long learning, Medical facilities, Quality and affordable housing, Low pollution/environmental damage, Public amenities, Low crime Recreation, Entertainment and intellectual stimuli, Low cost of living and low taxation, and Aesthetic build and natural environment. (IEDC, <http://www.iedconline.org/hotlinks/QualLife.html>)



Land Planning

The purpose of comprehensive land use plans and land development ordinances is to guide the development of an area's geography to balance community needs with individual property interests. Community needs will include the protection and enhancement of public health and safety, and may well include the development of land for business and industrial investment and the protection of open space. Regardless of the community needs served by the planning process, the plan and the process through which it is implemented should also meet the needs of the business/development community for predictability and consistency. In a rapidly growing region such as the Centralina region, the planning process is a particular challenge. This is due to the varying ages of individual jurisdictional plans, the varying visions they represent, and the varying extents to which the plans are "comprehensive" in scope.

All of the counties in Centralina's region have undergone a land development planning process in the last ten years, and as noted above, these plans represent varying levels of complexity, specificity, age, and vision. Much of this is due to different priorities and expectations among the counties. The current plans of several counties (including Iredell and Rowan) emphasize farmland preservation, while Charlotte-Mecklenburg's plan emphasizes a "corridors and wedges" concept that focuses densest development along future transit corridors. In most cases, the variation in plans represents not so much deliberately inconsistent visions as difference in focus. The extent to which plans are being implemented through the adoption of ordinances to support them also varies. The municipalities in Gaston County, and the County itself, are conducting a review of all ordinances to determine the extent to which they are consistent, and are working to develop a single code that reflects the joint vision of the County and its municipalities.

Regional Vision

During the summer of 2006, Centralina in partnership with the Catawba COG in South Carolina, began a regional visioning process. The report, issued in November 2006, is entitled "Connect: Greater Charlotte Bi-State Regional Visioning Project, Phase I, Taking Stock."

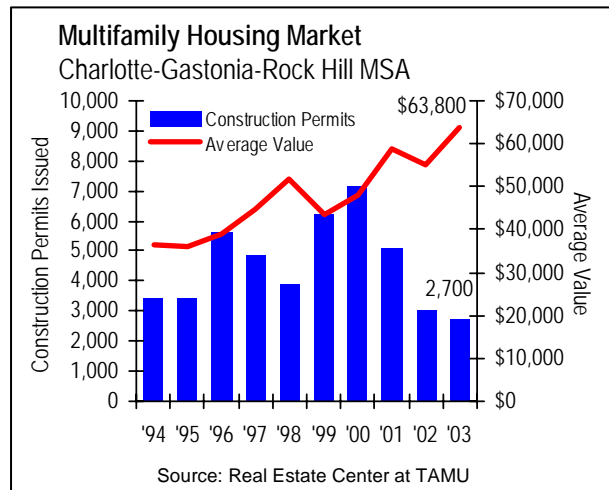
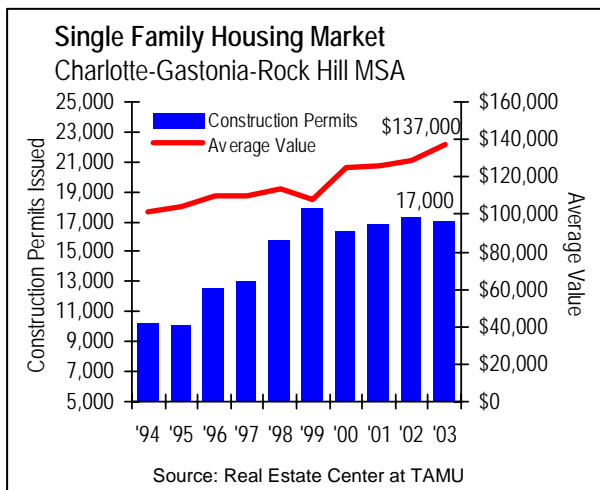
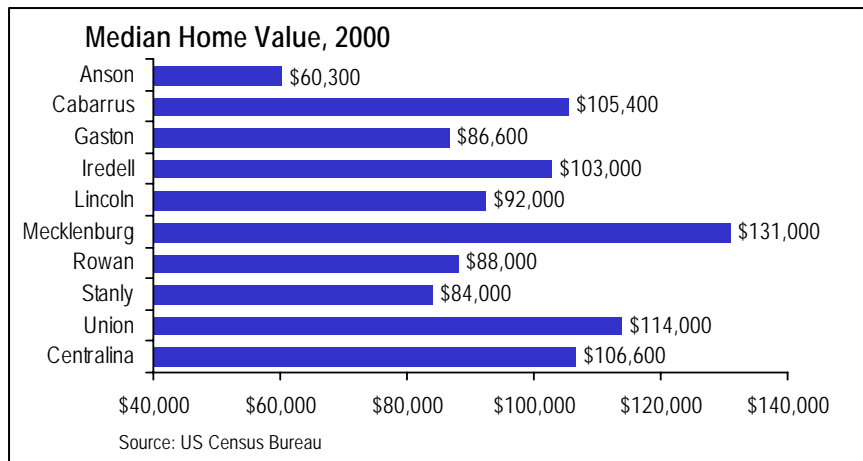
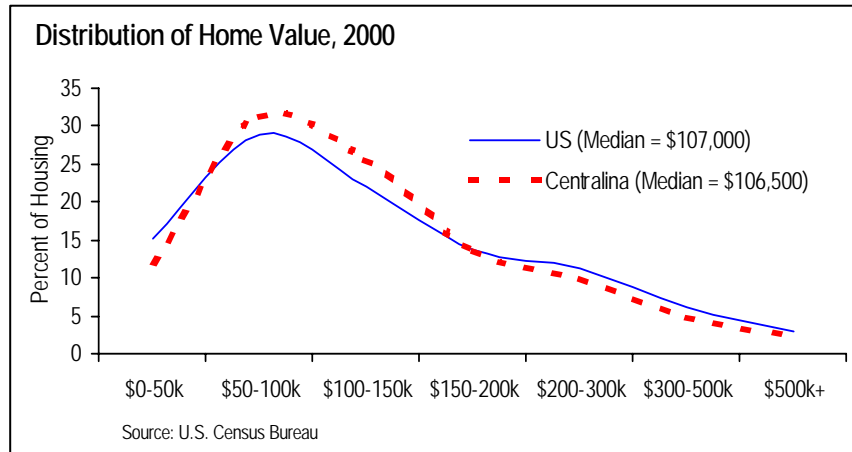
The purpose of the regional vision and plan is NOT to mandate local development decisions, but to capture commonalities among community visions, to provide a consensus set of "framework principles" toward which all communities' plans work, and to provide the business/development community with "one stop shopping" in terms of information about land development planning.



Housing

The diversity of housing available in Centralina is excellent. The distribution of home values is nearly identical to that of the U.S., as is the median home value. However, the median home value varies considerably among the counties. Anson County's median home value is \$60,300, compared to Mecklenburg's \$131,000. Mecklenburg and some of other county's median home value have increased since 2000.

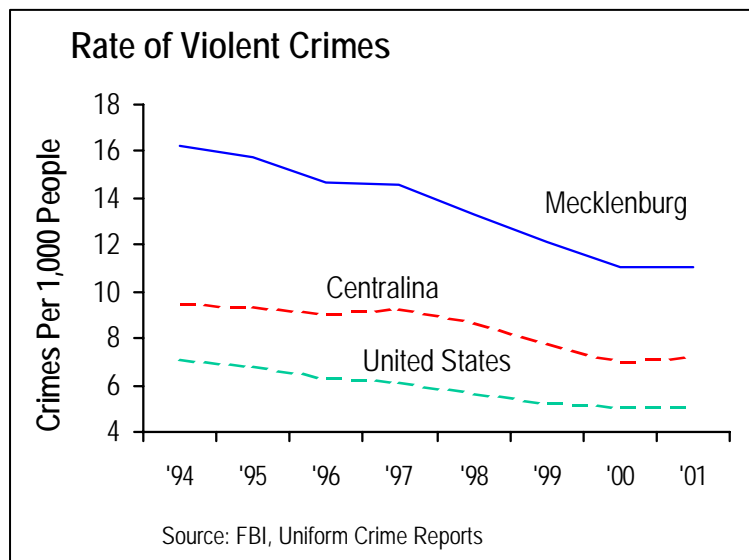
The average value of new housing of both single family and multifamily has increased, with a much more significant increase in multifamily housing since the market's decline from 2001-2002. Permits for single-family housing have continued to increase, but there has been a significant decrease in new multifamily housing in the region since 2000.



Crime

Maintaining a safe community for residents and businesses is an important issue. The rate of violent crimes for urban areas should be near national and state averages.

- Individuals in focus groups have reported a recent regional increase in crime.
- While the most recent data only goes up to 2001, the trend is actually going down.
- Outside Mecklenburg and Gaston Counties, rates of violent crime are quite low.



Anson	3.0
Cabarrus	2.3
Gaston	7.2
Iredell	3.5
Lincoln	2.3
Mecklenburg	11.1
Rowan	3.5
Stanly	3.0
Union	2.3
Centralina	7.2
North Carolina	4.9
U.S.	5.0

source: FBI, Uniform Crime Statistics

Healthcare

Quality and availability of healthcare is an important quality of life criterion, especially for retirees. As the chart to the right illustrates, there is a disparity in the population per physician by county. Anson County has only one physician per 1,275 residents versus Mecklenburg's one physician per 414 residents. **Although the community colleges in the region are producing health care technicians, the region lacks a medical school.**

	# Physicians	Population Per Healthcare Provider		
		Physicians	RNs	Dentists
Anson	20	1,275	202	8,499
Cabarrus	300	466	102	3,329
Gaston	327	589	146	2,791
Iredell	240	545	96	2,145
Lincoln	61	1,095	264	4,771
Mecklenburg	1,773	414	86	1,621
Rowan	159	842	137	3,189
Stanly	80	743	166	3,714
Union	128	1,063	230	5,442

source: NC Dept of Commerce, Cecil G. Sheps Center for Health Svcs Research

A very troubling issue is that estimates are that 34% of children in Mecklenburg County are on public assistance.



Parks, Recreation, and Cultural Amenities

The area has several recreational assets from parks to rivers to sports facilities. The region has higher per capita giving to the arts and sciences than any other community in the U.S and also receives more philanthropic dollars for arts and science programs than all other cities in the U.S. other than New York.

In addition to many other area cultural and natural resource amenities is motorsports. The region is mostly known for its NASCAR presence. UNC Charlotte put together a study late in 1996 called the "Survey of the Motorsports Industry in Cabarrus, Mecklenburg and Iredell Counties." The survey, which identified 135 largely motorsports-related enterprises, found the overall economic impact of motorsports to be \$655 million. Cabarrus County had about 72 companies, followed by Iredell with 48 and Mecklenburg with 15. Four years later, another study from UNC Charlotte found the economic impact of Lowe's Motor Speedway to be \$276.4 million in all three counties. The motorsports industry also recently formed its own caucus to increase its visibility to the state legislature.

Additionally, this industry is tied to community colleges, technical institutes and the University of North Carolina at Charlotte. This industry not only provides a tourism benefit to the region, but it is certainly a job creator and income producer for area residents.²

Charlotte Region Motorsports Highlights

- Over 90% of the NASCAR teams are located within 50 miles of the Charlotte region
- NC economic impact of over \$2.0 billion annually (*NC Motorsports Association*)
- Regional Motorsports events include:
 - Coca-Cola 600
 - The Nextel All-Star Challenge (formerly The Winston)
 - UAW-GM 500
- Two local wind tunnel facilities are available for accurate aerodynamic testing, one of which boasts a one-of-a-kind yawing rolling road
- Home to NASCAR's Research and Development Site, which houses rules officials, corporate officers, accident investigators, and directors of the truck, Busch and Nextel Cup series
- Location of the Richard Petty Driving Experience – one of the largest motorsports-related driving schools in the U.S.
- Several museums dedicated to racing and racing history in the area

University of North Carolina at Charlotte

Motorsports Program

- Multidisciplinary Program in Motorsports and Automotive Engineering
- Special concentration in motorsports engineering is part of the Bachelor of Science degree in Mechanical Engineering
- Over 100 undergraduate students currently enrolled in the program
- UNCC Motorsports Program developed more than \$2.25 million in external research related to vehicle technologies
- On-site equipment includes chassis dyno, shock dyno, engine dyno, scales, and Pi/CDS Data Acquisition
- UNCC strengths include vehicle dynamics, aerodynamics, instrumentation, safety and metrology

² Information on the motorsports industry has been provided by UNC Charlotte and the Charlotte Regional Partnership. The two tables on this page are from the *Greater Charlotte Biz Journal* (January 2004).



Economic Development Efforts

Economic development efforts include the activities of local, regional and state organizations that strive to improve quality of life and financial stability of residents within a particular region. Economic development initiatives are generally categorized by business retention and expansion, business recruitment, marketing, and tourism. The region is blessed with effective economic development organizations that operate both locally and regionally.

The most important economic development issues are:

- **Regional economic development efforts of Duke Energy and the Charlotte Regional Partnership. The Centralina Council of Governments will play a larger role in economic development if an Economic Development District is created.**
- **Per capita resource allocation for economic development within each county varies considerably.**
- **Most of the Industry targets for the region are appropriate targets, but is important that more efforts to ensure that workforce development groups understand the skill requirements for these target industries.**
- **Tourism efforts are not well coordinated regionally.**

Economic Development Efforts SWOT SNAPSHOT

Strength:

- ✓ *Charlotte Regional Partnership*
- ✓ *Duke Power*
- ✓ *Focus on Target Industries*

Weakness:

- ✓ *Lack of Private Sector funding in some counties*
- ✓ *Regional Tourism Promotion*

Opportunity:

- ✓ *Further Collaboration*
- ✓ *Private sector funding*
- ✓ *Economic Development District*

Threat:

- ✓ *Turfism among county economic development groups*
- ✓ *Focus on incentives*



Economic Development Organizations

Both the Charlotte Regional Partnership and Duke Power provide economic development services for the region. The Partnership provides marketing and networking assistance for a 16-county region, which includes 2.2 million people in 12 counties in North Carolina and four counties in South Carolina. Duke Power has an economic development division that provides similar but complementary services to member municipalities in nearly all the Centralina region. Duke Power has also recently developed attractive incentive programs for businesses within its service area. The initiation of this CEDS project is the COG's first step into economic development. The COG will continue to facilitate economic development as the region develops an Economic Development District and seeks to implement some of the strategies identified in this CEDS project.

In addition to the regional initiatives, all nine counties in the Centralina region have an economic development organization that is devoted to business recruitment, retention and expansion. Additionally, Chambers of Commerce at the city or county level also exists throughout the region. There is significant disparity among the counties in how many financial resources are devoted to economic development.

The table below³ illustrates the disparity of resources devoted to economic development in each county in the region. **A more detailed table is found in the Appendix.** Highlights of this resource allocation table include:

- The per capita resources devoted to economic development ranges from \$2.90 in Stanly County to \$7.77 per capita in Gaston County.
- Gaston County has more private sector funds per capita than any other county in the region.
- Union County's Partnership for Progress is 100% private sector funded.
- Iredell, Lincoln, Gaston, and Union counties have private sector funding to support economic development initiatives. The other counties have very little private sector support.

County Comparison of Economic Development Funding

County	County Economic Development Budget	Per Capita Resources
Anson	\$ 150,000	\$ 5.96
Cabarrus	\$ 450,000	\$ 3.15
Gaston	\$ 1,500,000	\$ 7.77
Iredell	\$ 477,298	\$ 3.58
Lincoln	\$ 359,000	\$ 5.34
Mecklenburg	\$ 5,050,000	\$ 6.71
Rowan	\$ 400,000	\$ 2.99
Stanly	\$ 170,596	\$ 2.90
Union	\$ 475,000	\$ 3.25

³ Data to support this table was provided by economic developers in each of these counties and assimilated by the Charlotte Regional Partnership. This data does not include funding from the various "Committees of 100", from Convention and Visitor's Bureaus, nor from other similar private sector efforts.



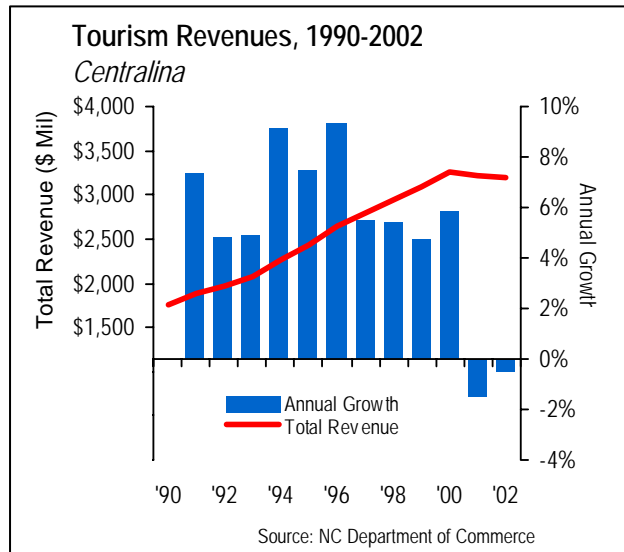
Tourism

While tourism has been in decline regionally and nationally since the events of 9/11, it remains an important source of revenue for every county. Seven of the nine counties currently have a local occupancy tax that brings in anywhere from \$30,000 per year (Anson County) to almost \$1.2 million per year (Mecklenburg County).

Every county also has at least one organization to promote tourism within the county, and every county has its own tourism assets. Common assets throughout the region include historic downtowns with small town charm and motorsports. The region has a bounty of assets - from the Lowe’s Motor Speedway in Cabarrus County to the beautiful city of Salisbury in Rowan County. Mecklenburg County gains the lion share of tourism revenue, with its downtown and sports-related amenities.

The newly reorganized Charlotte Regional Visitors Authority (RVA) intends to reach out beyond the borders of Mecklenburg County to promote regional tourism. This will be a challenge from a resource perspective, but **this type of regional tourism will undoubtedly have a larger, positive impact on the region’s ability to capture tourism than any one single county in the region can achieve alone.**

The Charlotte RVA web site is outstanding. In particular, the “Map It” feature is one of the best tourism-based web sites in the country. It would be a significant benefit to the region if this site could be used to show more features outside of Charlotte. Given that the mission of any CVB is to improve tourism within their respective county (due to resource allocation), this may prove to be a challenge but one that the region should discuss.



Local Occupancy Taxes, 2003

	Currently Has Tax	2003 Revenues
Anson	yes	\$ 29,130
Cabarrus	yes	\$ 845,727
Gaston	yes	\$ 354,336
Iredell	no	\$ -
Lincoln	yes	\$ 57,463
Mecklenburg	yes	\$ 1,174,765
Rowan	yes	\$ 291,285
Stanly	yes	\$ 162,097
Union	no	\$ -

source: NC Dept of Treasury

Tourism Revenue (\$Millions)		
	2005	Growth '97 – '05
Anson	12.7	30%
Cabarrus	222.2	84%
Gaston	163.0	44%
Iredell	155.6	55%
Lincoln	34.8	25%
Mecklenburg	2,928.6	30%
Rowan	103.6	37%
Stanly	57.0	52%
Union	74.8	45%
Centralina	3,752.3	34%

Source: NC Department of Commerce, 2006



Internal promotion

The region does not currently share a common vision for economic development. Some counties do a better job than others of educating the general public about economic development initiatives and successes. The region is still experiencing layoffs in traditional industry sectors so **now is an even more important time than ever to clearly communicate what each county and the region is doing to address the region’s economic transition.**

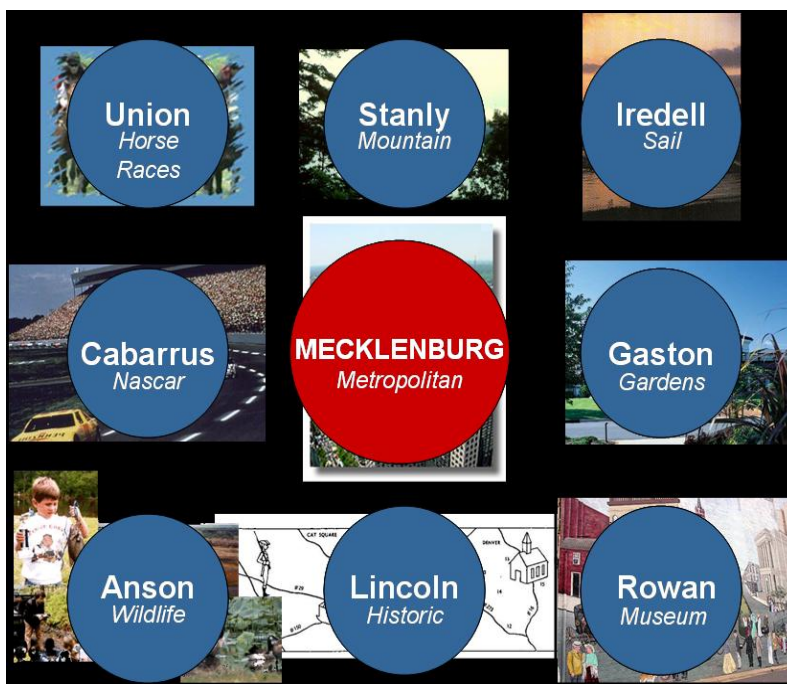


External promotion and marketing

The Partnership has developed a marketing brand for the region, called “Charlotte USA”. Although it receives high praise from a national marketing audience, several counties in the region would like to have their own unique brand. Site selectors look first to the region before they look to a county level, so it is important to maintain a regional brand identity. However, each county could develop its own brand that ties to the overall regional branding strategy. **The graphic to the right illustrates how each county can establish a unique identity that fits within a regional tourism message.**

The Partnership’s web site is very good. It is clear, easy to navigate and thorough. The web site provides detailed information on the region and each county. The biggest attribute of the web site is the database and mapping component that allows individuals to find any building or attraction in the region based on certain criteria.

Some counties have mentioned that not all attractions in their county are included on the web site; however, it is possible that some attractions are not listed because it has been difficult to obtain this information directly from the counties. The Partnership is in the process of improving this site.



Incentives

Economic development is not just about incentives. According to a recent study by KPMG, of all of the business site selection factors such as labor costs, incentives, and tax rates rank #1, #6, and #7 in importance to corporate executives. It is important for the region to be able to compete among peers for incentives, but it is more important to focus resources on improving the foundation for economic development success, including workforce preparedness and entrepreneurial development.

In this same study⁴, the consultants compared Nebraska’s incentive programs to other peers, including North Carolina. The next page provides an overview of how North Carolina compares. The most obvious trend is that North Carolina incentives fare well over a seven-year period, but in the examples provided only the Corporate Headquarters category does North Carolina rank in the top 5 of “Total taxes after Credits, Refunds, & Abatements.”

Ranking of Factors that Influence Business Locations

1. State and local incentives	14. Environmental regulations
2. Labor costs	15. Low union profile
3. Availability of skilled labor	16. Availability of broadband telecom services
4. Highway accessibility	17. Right- to- work state
5. Occupancy or construction costs	18. Proximity to suppliers
6. Tax exemptions	19. Availability of long- term financing
7. Corporate tax rate	20. Raw materials availability
8. Energy availability and costs	21. Availability of unskilled labor
9. Proximity to major markets	22. Accessibility to major airport
10. Availability of land	23. Training programs
11. Availability of telecom services	24. Proximity to technical university
12. Cost of land	25. Railroad service
13. Environmental regulations	26. Waterway or oceanport accessibility

Source: Geraldine Gambale, “2003 Corporate Survey,” Area Development, December 2003

⁴ “A Comparative Analysis of Nebraska’s Tax and Incentive Climate”, KPMG (2004).



**Distribution Company
State Rankings (1=Highest, 10=Lowest)**

Rank	Total Taxes Before Credits, Refunds, & Abatements (1 year)	Total Taxes After Credits, Refunds, & Abatements (1 year)	Incentives Utilized (over 7 years)
1	Oklahoma	Colorado	Oklahoma
2	Kansas	Missouri	North Carolina
3	Colorado	Oklahoma	Iowa
4	Nebraska	South Dakota	Minnesota
5	Missouri	Wyoming	Missouri
6	Minnesota	Iowa	Nebraska
7	North Carolina	Nebraska	Kansas
8	Iowa	North Carolina	Colorado
9	South Dakota	Kansas	South Dakota
10	Wyoming	Minnesota	Wyoming

**Start-up Technology-based Company
State Rankings (1=Highest, 10=Lowest)**

Rank	Total Taxes Before Credits, Refunds, & Abatements (1 year)	Total Taxes After Credits, Refunds, & Abatements (1 year)	Incentives Utilized (over 7 years)
1	Nebraska	South Dakota	Kansas
2	South Dakota	Colorado	Missouri
3	Colorado	Wyoming	Minnesota
4	Wyoming	Iowa	Nebraska
5	Kansas	Nebraska	North Carolina
6	Oklahoma	Oklahoma	Iowa
7	Missouri	North Carolina	Oklahoma
8	Iowa	Missouri	Colorado
9	North Carolina	Kansas	South Dakota
10	Minnesota	Minnesota	Wyoming

**Information Services Company
State Rankings (1=Highest, 10=Lowest)**

Rank	Total Taxes Before Credits, Refunds, & Abatements (1 year)	Total Taxes After Credits, Refunds, & Abatements (1 year)	Incentives Utilized (over 7 years)
1	Colorado	Colorado	North Carolina
2	Nebraska	Missouri	Kansas
3	Kansas	Oklahoma	Minnesota
4	Oklahoma	South Dakota	Oklahoma
5	Missouri	Wyoming	Missouri
6	Minnesota	Iowa	Nebraska
7	North Carolina	North Carolina	Iowa
8	South Dakota	Nebraska	Colorado
9	Wyoming	Minnesota	South Dakota
10	Iowa	Kansas	Wyoming

**Corporate Headquarters
State Rankings (1=Highest, 10=Lowest)**

Rank	Total Taxes Before Credits, Refunds, & Abatements (1 year)	Total Taxes After Credits, Refunds, & Abatements (1 year)	Incentives Utilized (over 7 years)
1	Nebraska	Colorado	Iowa
2	Colorado	South Dakota	Kansas
3	Kansas	Wyoming	Oklahoma
4	South Dakota	North Carolina	Minnesota
5	Oklahoma	Oklahoma	Missouri
6	Minnesota	Nebraska	North Carolina
7	North Carolina	Iowa	Nebraska
8	Iowa	Kansas	Colorado
9	Missouri	Missouri	South Dakota
10	Wyoming	Minnesota	Wyoming



Target Industries

The region recognizes that certain traditional industries are not going to grow in North Carolina. During the *Carolinas Competitiveness Forum*, nearly 40 percent of the region's leaders stated that the future of textiles and furniture in the Carolinas is very poor. Recognition of this reality is paramount to the success of the region's ability to foster other industries that it can grow.

The chart below illustrates those industries that are being targeted for business development in the Centralina region. It is important that the region agrees on industries to target and continue to cooperate on marketing efforts to attract and retain the target industries. Due to individual county assets or liabilities, each county in the region is going to have varying success with targeting specific industries and will end up having its own success within specific niches of the target industries. However, the success of each county is tied to the success of the region. For example, as the region targets tourism, each county will experience its own success within the industry. Tourists may come to the region because of a specific cultural event in Mecklenburg County; however, while they are here, they may travel to Salisbury to look at the impressive Craftsman-style homes or to Gastonia to visit the Shields Museum.

The region can do a better job of educating K-12 providers and community colleges about the industries that it is targeting, as well as skill sets that are required by these industries. Many of the community colleges are familiar with the targeted industries for the region, but the majority of workforce providers indicated in the online workforce providers survey that they are focusing (among other industries) on tourism, healthcare and manufacturing occupations. **Local and regional economic development organizations can improve their role in educating the workforce and education providers of the specific needs of these industries.**

Regional Target Industries

Goal: To build an integrated economic development delivery system which dramatically improves the region's ability to grow, retain, and attract manufacturing investment and jobs.

Objective: To specify which industries in which the Charlotte region has inherent physical and human resource strengths, and which have the most potential for short-term growth and long-term sustainability:

- Transportation equipment
- Plastics
- Commercial machinery
- Food processing/packaging
- Construction materials
- Value added textiles
- Life Sciences R&D
- Motorsports R&D
- Financial Services
- Healthcare Services
- Creative Industries



Business Climate and Entrepreneurship

Maintaining an attractive business climate is crucial to a region's economic success. Additionally, 80 percent of future business growth will be among small businesses; therefore, the activities of local and regional organizations involved in entrepreneurship activity are also very important.

The following are business climate and entrepreneurship highlights of the Centralina region:

- The Charlotte region has a pro-business friendly environment with relatively low property taxes, but high corporate income tax rates.
- Significant research and development assets exist in the region and are closely tied to key industry sectors.
- The small business development centers exist at many of the community colleges play a significant role in small business development
- Junior Achievement programs exist in all counties but are more active and better funded in some counties than others.
- An angel investor network is desperately needed for the Charlotte area.

Business Climate/Entrepreneurship SWOT SNAPSHOT

Strength:

- ✓ Property taxes
- ✓ Pro-business environment
- ✓ Small business centers at community colleges
- ✓ R&D at UNCC

Weakness:

- ✓ Regional entrepreneurship efforts
- ✓ Angel investment and small business funding

Opportunity:

- ✓ Increasing regional entrepreneurship activities
- ✓ Models exist in region for Junior Achievement
- ✓ Charlotte Research Institute

Threat:

- ✓ Average wages
- ✓ North Carolina tax structure
- ✓ Lack of understanding in region of importance of entrepreneurship



Tax Rates

The Charlotte region has been recognized as a “pro-business” community. These types of accolades are important, but a more in-depth analysis reveals that although local property taxes are relatively low in North Carolina, the state’s personal and corporate income tax rates are generally higher than neighboring South Carolina. Low property tax rates and high corporate income tax rates are generally representative of an economy based in capital-intensive manufacturing. Without considering the effect of incentives, the region’s tax burden should still be considered attractive to target industries.

Comparative Tax Rates, 2003 (State Ranking in Parenthese*)

	North Carolina	South Carolina
Top Personal Income Tax Rate	8.25% (44)	7% (35)
Top Capital Gains Tax Rate	8.25% (46)	3.92% (16)
Top Corporate Income Tax Rate	6.9% (24)	5% (9)
% Personal Income towards Property Taxes	2.12% (10)	2.75% (21)

*1 being the lowest; source: Small Business Survival Committee

Tax Rates

	Property 1Q'04 Per \$100 Val	Sales Taxes 2003
Anson	\$0.7760	2.5%
Cabarrus	\$0.5600	2.5%
Gaston	\$0.8930	2.5%
Iredell	\$0.4350	2.5%
Lincoln	\$0.6200	2.5%
Mecklenburg	\$0.7364	3.0%
Rowan	\$0.6300	2.5%
Stanly	\$0.6675	2.5%
Union	\$0.5300	2.5%

Source: NC Dept of Commerce;
NC Dept of State Treasurer



Entrepreneur education and promotion / Business plan competitions

The Business Innovation and Growth Council (BIG) is a fledgling organization that has recently added a new leader from Silicon Valley who is has a significant amount of experience in entrepreneur initiatives. This organization needs additional resources for furthering its efforts throughout the region.

The Biz-HUB program developed as a regional small business networking program. This program could also partner more effectively with BIG and other similar entrepreneur education initiatives.

UNC Charlotte's Research Institute sponsors a small-scale business plan competition. This should be broader in its reach and attract angel funds to support the winners of this competition. BIG, UNC Charlotte, and the Biz-HUB, among others, could partner in developing a model regional entrepreneurship program.

Additionally, organizations such as "Committees of 100" exist in several counties in the region. Several of these groups are seeking to understand how they can have a more pivotal role in small business creation. Several of the strategies identified in the other CEDS projects point to the need to develop small business incubators. It is doubtful that the region can support incubators in each of the counties or even several incubators throughout the region. **A more regional approach to entrepreneurship and small business development will be more sustainable than each county spearheading its own initiatives.**

Community College Involvement with Small Business Development

The following community colleges have small business development resources at their facilities:

Central Piedmont Community College (Mecklenburg—Eight Locations)

CPCC's Small Business Center can help strengthen one's knowledge of management, accounting and marketing strategies needed for business. The Center offers a selection of classes to help new entrepreneurs and growing businesses build the foundation for business goals to become realities. Available topics include hands-on business plan development and dynamic marketing strategies.

The Small Business Center was established to offer support to those who want to start a small business or those who need help with an existing business. The Center is open to the public and its experienced staff is there to arm them with reliable information, solid advice, additional training, one-to-one counseling, and business contacts. The Center will also assist trainees in developing solid marketing and business plans to ensure the success of their business in a competitive marketplace. The Small Business Center's training programs serve over 3,000 existing, expanding, and new companies.

Gaston College (Dallas and Lincolnton)

The Gaston College Small Business Center is providing a Business Seminar Series for existing and new business owners. The seminars are offered at both the Dallas Campus and the Lincolnton Campus of Gaston College. Small business owners and entrepreneurs, current and prospective, are invited to participate in these free seminars and counseling sessions.



Mitchell Community College (Statesville and Mooresville)

The Small Business Center at Mitchell Community College provides information, training, counseling, referrals, and other technical/managerial assistance to small businesses and individuals who are interested in starting a small business. Throughout the year, the Small Business Center and the Greater Statesville Chamber of Commerce sponsor seminars and workshops on topics pertinent to starting and managing a small business. Specific seminars offered include: Ten Steps to Starting a Small Business, Developing a Business Plan, Creating Effective Loan Packages, and Marketing a Small Business.

The Small Business Center also works collaboratively with the Small Business and Technology Development Center and provides group counseling twice per month. Individual counseling is also available by appointment. These services are free of charge.

Rowan-Cabarrus Community College (Salisbury and Concord)

The Small Business Center is designed to assist people starting a small business and to help people expand existing businesses. There are more than 4,000 businesses in RCCC's service area and only 86 have more than 100 employees. Through workshops, seminars, and referrals to other agencies, the centers are able to provide free assistance to the small business owner. Workshop and seminar topics include: How to Start a Business, How to Write a Business Plan, Record Keeping and Taxes, Financing a Business, and Marketing for Success. The Small Business Center also provides free, confidential counseling services for new and existing businesses.

Cabarrus County and RCCC have begun Phase II of a \$3.5 million project to redevelop a former school administrative office into a business and technology training center that will concentrate on workforce re-training and education. The space is being planned so that it will also have a small business center.

South Piedmont Community College (Wadesboro, Polkton, and Monroe)

The Small Business Center of Anson and Union Counties provides confidential consultations, counseling, and referrals. Employees of small businesses can take courses to train or upgrade their communications and leadership skills for many occupations, including: cashiers, security and clerical workers, bookkeepers and technicians.

Union and Anson counties are official Rural Entrepreneurship Through Action Learning (REAL) sites. This is a unique 16-week, self-employment education course that uses hands-on techniques for planning, opening, and operating a business. Graduates of the REAL program have had an 87 percent business success rate for the past six years. REAL classes are held in Monroe at SPCC in the fall and spring.

Stanly Community College (Albemarle and Locust)

The Corporate and Professional Education Center includes a small business center, where business seminars are offered. The REAL program also exists within Stanly Community College.



Junior Achievement

Junior Achievement (JA) is an effective program to instill the importance and benefits of entrepreneurship at an early age. JA programs exist in all counties but are more active and better funded in some counties than others.

All school districts in the region should develop a well-funded Junior Achievement program. Programs that exist in the region should be improved and successful JA initiatives should be shared with other programs in the region.

Research and Development

The UNC Charlotte Research Institute will be developed on 100 acres of the UNC Charlotte campus adjacent to US 29 and will contain multiple research facilities. Currently a campus master plan is being developed. The Institute will have a significant impact on the region and will fuel the development of high technology companies and enhance competitiveness of the regional and state economy. This institute is not well known and needs to be better promoted both regionally and nationally as programs are further developed. The state of North Carolina has recently appropriated \$4 million for a motor sports test and research facility to be administered by UNC Charlotte that may ultimately be a test track.

Technology Transfer and Commercialization

University-led economic development is playing an ever increasing role in today's tough economic climate. Innovations born within the university systems are shaping industry and the world at a faster pace than ever before. And based on recent survey results released by the Association of University Technology Managers (AUTM) for fiscal year 2001, The University of North Carolina at Charlotte's Office of Technology Transfer is one of the country's best programs at putting intellectual capital to work.

According to the AUTM survey of American universities, when comparing universities on equivalent footing - by normalizing the survey results per \$10 million of research expenditures - UNC Charlotte ranked:

- 1st in start-ups formed
- 2nd in invention disclosures received
- 2nd in patent applications
- 3rd in patents issued
- 5th in licenses executed
- 20th in licenses and options yielding income

The Ben Craig Center Business Incubator at UNC Charlotte works collaboratively with the University and Technology Transfer and Commercialization programs to develop business applications and ultimately create jobs from the research programs within the University

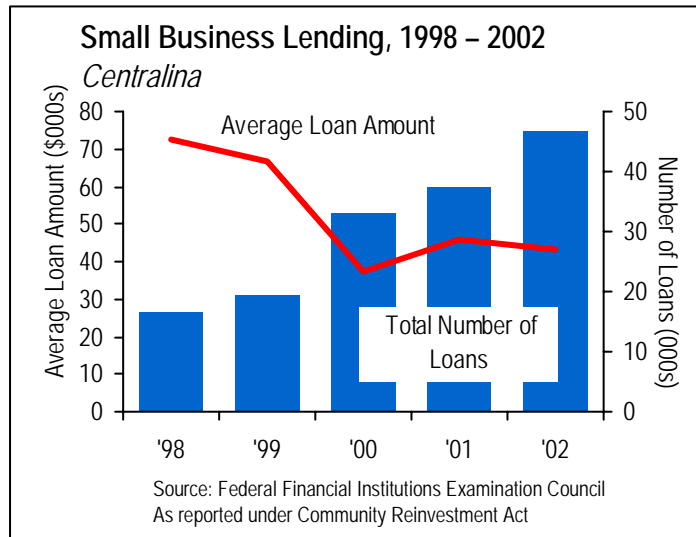


Access to Capital

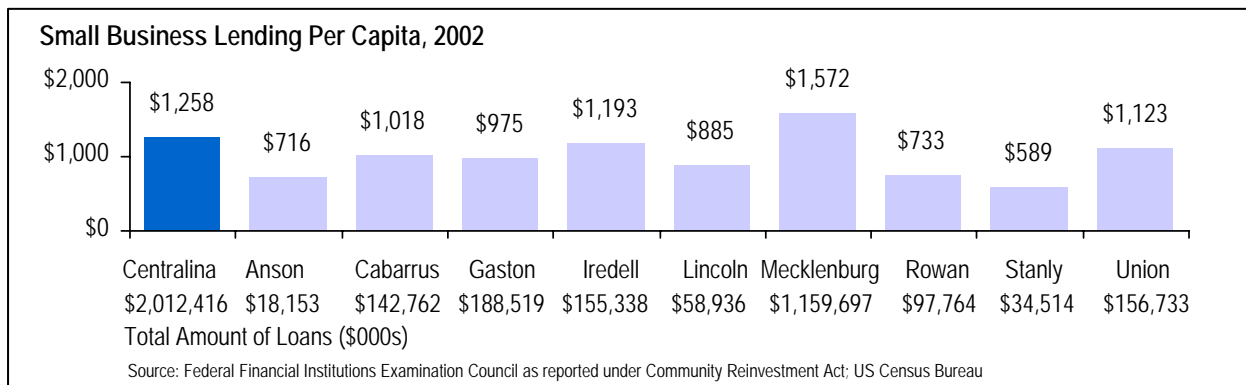
Access to capital is an important part of growing local entrepreneurship. Area companies often report trouble finding funding sources, particularly in their early stages of development.

Both regionally and nationally, early stage funding has become scarcer. Lenders are less likely to fund risky ventures than they were during the late 1990s.

- Small business lending among Centralina counties, however, has actually been increasing over the past five years.
- The current trend favors more widespread entrepreneurial activity, going from an atmosphere of relatively few large loans to many smaller loans.
- Of course, there is a large disparity of lending activities among counties. Cabarrus, Iredell, Mecklenburg, and Union lead the counties with over \$1,000 of per capita small business lending. Anson, Rowan, and Stanly each have per capita lending below \$800.



Centralina is home to many small regional banks that are active leaders in the community and are more likely to fund small businesses in their communities. These regional banks are tremendous assets and are rare in most other U.S. communities. **The “gang of four” and other traditional investors in the Charlotte region need to be shown the types of entrepreneur potential that the region has, and a more aggressive/less conservative approach of business financing and angel investing needs to be developed in the region.**



Land Use, Sites and Infrastructure

Land Use, Sites and Infrastructure is defined as the regional transportation network, utilities, and sites and buildings that are available to support business expansion and development.

The following are land use, sites and infrastructure highlights of the Centralina region:

- The region's infrastructure is very good and rates are competitive.
- There are needed improvements in the transportation network and utilities, but the transportation network is one of the region's best assets.
- Industrial sites are plentiful in the region, but many are not currently certified by the State Department of Commerce.

**Land Use, Sites and Infrastructure
SWOT SNAPSHOT**

Strength:

- ✓ Road network
- ✓ Rail network
- ✓ Charlotte/Douglas International Airport
- ✓ Utilities are competitively priced and plentiful

Weakness:

- ✓ Transportation network to Anson county
- ✓ Lack of telecommunication assets (Wi-Fi networks) outside Charlotte

Opportunity:

- ✓ Highway improvements
- ✓ Airport expansions
- ✓ Commuter Rail lines and "Hydrail"

Threat:

- ✓ Load loss for Duke Power
- ✓ Industrial sites that are not certified by State DOC



Utilities

Electricity

Duke Power provides electricity to all counties in the region, except for Anson County, which obtains its electricity from Carolina Power and Light and by Pee Dee Electric. Nuclear power generated 57 percent of the electricity used by Duke Power customers last year. The cost of generating electricity with nuclear power is stable and economical. As the prices for other power generation fuels escalate, such as in the case with natural gas, Duke Power rates remain basically the same. It is a major reason why the base rates Duke Power customers pay today are at 1986 levels.

Industrial Electric Rate, Cents / kWh

North Carolina	
<i>Duke Power Customers</i>	4.47
<i>Rest of State</i>	4.70
California	11.40
Georgia	3.95
New York	5.16
South Carolina	3.85
Tennessee	4.15

source: Duke Power

Electric Power Rates

	Demand (kW)	Energy (kWh)	\$ Per kWh	
			Progress Energy	Duke Power
Commercial	5	360	\$0.12	\$0.13
	10	720	\$0.11	\$0.11
	25	1,800	\$0.09	\$0.10
	50	18,000	\$0.07	\$0.06
	100	36,000	\$0.07	\$0.06
Industrial	1,250	450,000	\$0.07	\$0.05
	1,500	540,000	\$0.07	\$0.05
	5,000	1,800,000	\$0.07	\$0.05
	10,000	3,600,000	\$0.07	\$0.05
	25,000	9,000,000	\$0.06	\$0.05
	50,000	18,000,000	\$0.06	\$0.05

source: NC Dept of Commerce



Water

Water is an underutilized resource for the area. Centralina counties, especially Anson County, have large water reserves because they were built around mills. As these mills have gone out of use, water has become very plentiful. Anson County, for example, now exports water. There are also very few water quality problems in the region.

Wastewater

Wastewater service exists in all municipalities in the region, but debates about growth management controls have limited centralized sewers to many parts of some of the counties. This will be a limiting factor for growth in some areas where locations for retail development are outside cities and are not currently served.

Gas

In most parts of the region, Piedmont Gas provides natural gas. Rates for natural gas are nationally competitive and resources are plentiful.

Telecommunications

According to a 2000 study, although telecommunications access and usage in North Carolina increased substantially from 1990 to 2000, the state still fell behind the national average in terms of Internet access, computer access and telephone access. North Carolina ranks higher than South Carolina in several important categories.

Computer, Internet Access, and Telephones

State	Percent of Households with Computers			Percent of Households with Internet Access			Percent of Households with Telephone		
	1998	2000	% Change	1998	2000	% Change	1998	2000	% Change
NC	35	45.3	29.4	19.9	35.3	77.4	93.1	93.9	0.9
SC	35.7	43.3	21.3	21.4	32	49.5	92.9	93.2	0.3
US	42.1	51	21.1	26.2	41.5	58.4	94.1	94.4	0.3

Sources: NTIA. (July 1999). *Falling Through the Net: Defining the Digital Divide*; NTIA. (October 2000). *Falling Through the Net: Toward Digital Inclusion*; FCC. *Telephone Subscribership in the US (February 1999 and March 2001)*.

Charlotte’s Web was one of the first community-wide networks in the nation. Several communities have incorporated wi-fi and wi-max into their business development programs. The Mecklenburg County Department of Parks and Recreation has put wi-fi into several parks in the core area and has plans to incorporate wi-fi into the Greenway system as well. The City of Concord is working on a system for their downtown. **Wi-Fi systems should be a consideration for all the larger cities throughout the region.**



illustration by Peat Duggins



Industrial Buildings

Earlier CEDS reports cite the enormous amount of vacant industrial building space throughout their respective regions. The table to the right illustrates that approximately 27 million square feet of vacant industrial building space exists in the Centralina region. This information is very important to understand so that no more new speculative development is done.

A report prepared in 2005 for the City of Charlotte estimated industrial square footage and projected construction of square footage of industrial space through 2024. The private sector activity is projected to be adequate to meet anticipated demand.

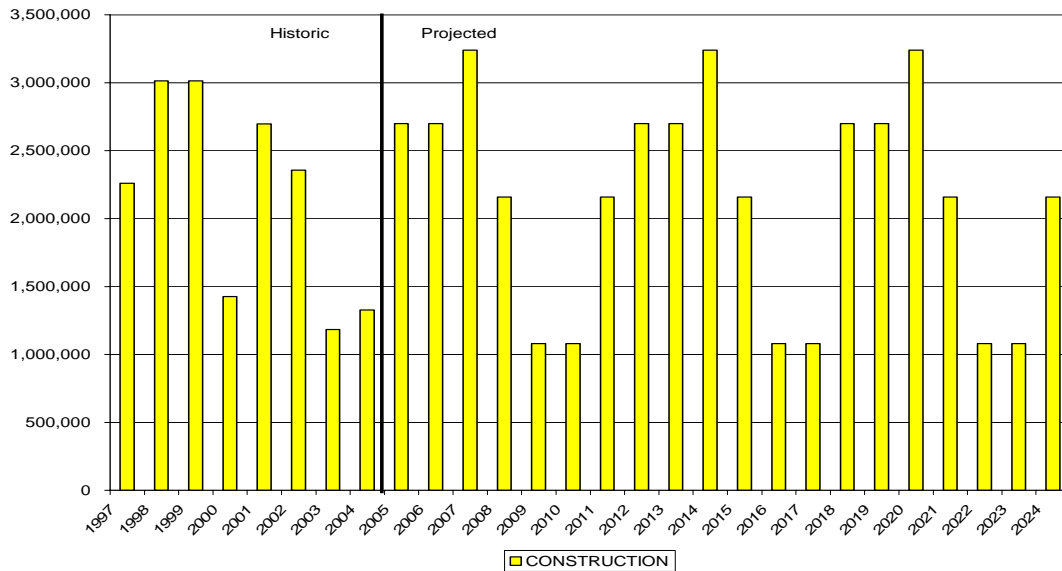
Centralina Available Industrial Buildings			
	# Buildings Listed	Sq Ft Industrial	Avg Rent / Sq Ft
Anson	3	667,660	\$2.38
Cabarrus	20	858,607	\$2.92
Gaston	59	3,627,987	\$2.51
Iredell	30	1,319,238	\$2.92
Lincoln	28	1,051,703	\$2.57
Mecklenburg	59	3,310,752	\$3.33
Rowan	20	1,703,775	\$1.71
Stanly	5	219,030	\$2.00
Union	8	456,581	\$4.22
Centralina	232	13,215,333	\$2.71
Source: As listed by Charlotte Regional Partnership, January 2007			

“It was estimated that the six-county Charlotte MSA had about 115 million square feet (sf) of industrial properties at year-end 2004, including warehouse/distribution, flex space (multi-purpose industrial and showroom) and manufacturing uses in facilities larger than 15,000 sf. The Karnes Research and CB Richard Ellis organizations independently report that an average of approximately 2.1 million sf of new industrial space is constructed each year in the Charlotte MSA, varying annually based on business cycles, market demand and the availability of capital for industrial investment.

Future Regional Industrial Development Potential: As “just-in-time” computer-drive inventory control and logistics management continues to improve throughout the U.S. and world-wide marketplace, continued growth in the Charlotte MSA could produce a probable estimate of added industrial space as indicated in the following table. This hypothetical construction schedule is based on likely development of industrial space, which could occur in the industrial areas of the six-county Charlotte MSA given the forecast economic cycles of capital investment – or business cycles – for the region.”



Historic to Projected Construction Cycles
 Industrial Space in the Charlotte MSA
 (In Square Feet of Space Built)



(Excerpted from the Economic, Employment and Tax Impacts: Potential Expansion of Norfolk Southern Railroads Intermodal Service, Charlotte, NC, June 2005)

Additionally, the average rents per square foot vary considerably throughout the region, with Stanly County’s average rent being the lowest at \$1.76/ft² and Mecklenburg County’s being the highest at \$3.19/ft².

Certification of sites throughout the region should be a top priority among economic development groups.



Other Plans and Strategies

During the past four years numerous plans have been completed for different parts of the region as well as varying regional configurations. Four plans are summarized below.

Excerpted from “Economic/Workforce Development in the Charlotte Region Overview and Comparison of Four Recent Studies and Plans” December 2005

Economic/Workforce Development in the Charlotte Region

Overview and Comparison of Four Recent Studies and Plans

During the last several years a number of studies and plans that focus on economic development and workforce development have been undertaken for Charlotte and the surrounding region. These include:

- **Centralina Regional CEDS (Comprehensive Economic Development Strategy)**
- **Community Assessment Report and Recommendations** (Aug and Sept 2004)
- **Advantage Carolinas Economic Profile, Comparative Analysis and Targeted Business Analysis for the Charlotte Region** (January 2005)
- **State of the Workforce Report** (September 2005)
- **City of Charlotte Economic Development Strategic Framework 2005-2010** (July 2005)

While many similarities and overlaps exist in some of the data, findings and conclusions in these pieces of work, they are uniquely different in focus and geography covered. The CEDS plan addresses economic development needs in a nine-county Charlotte region. Advantage Carolina’s analysis focuses on a 16-county region that matches the Charlotte Regional Partnership geography. The State of the Workforce Report focuses on a 13-county area, and the City of Charlotte’s economic development plan was developed for Charlotte, but within a regional context.

Since all four of these studies/plans center on economic development and workforce development issues, the Charlotte-Mecklenburg Workforce Development Board thought it prudent to compare all four to reveal any conflicting data, conclusions or recommendations that may send mixed messages about Charlotte’s and the region’s economic future and its workforce development needs and response. When it comes to preparing and building the workforce for tomorrow, it would be beneficial to everyone at the local and regional level to be working on a united front.



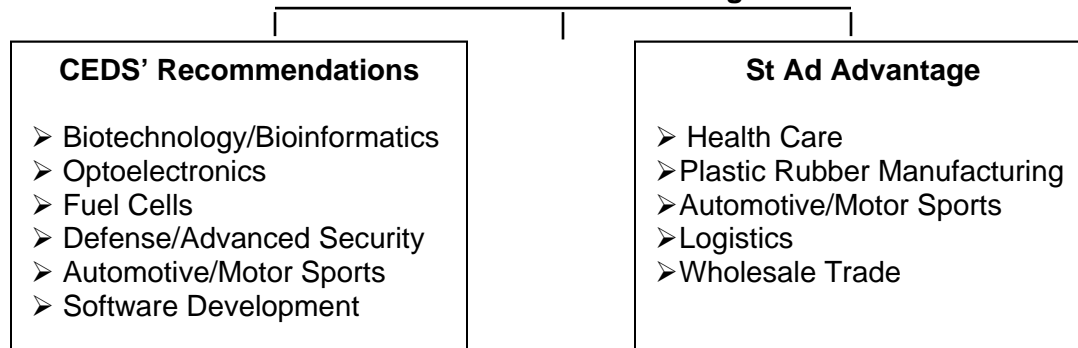
Key Findings and Challenges for Economic/Workforce Development in the Region

Each of the studies/plans identifies or alludes to key findings or challenges that are critical for the region’s economic vitality and workforce competitiveness in the future. The following are some that are common in all four reports:

- Overall, the region lags in **educational attainment**.
- **Adult literacy** is a significant weakness, and is compounded with illiteracy among the growing immigrant population.
- Traditional manufacturing jobs are declining in the region, which will require significant **retraining of workers** who have or will lose their jobs.
- New types of manufacturing coming to or being recruited to the region require **technical skills** that are lacking in the current workforce.
- More must be done to attract **young professionals** to the region.
- Greater efforts are needed to encourage and support **entrepreneurship** in the region.
- **Research and development** assets are tremendous, but not well known or leveraged in the region.
- **Collaboration** among workforce, education, economic developers and businesses is not focused in the region.

All four of the studies/plans emphasize that a skilled workforce will be key for Charlotte and the region to remain competitive in the regional, national and global economies. They also stress that the skills of the region’s workforce need to match the needs of existing and targeted industry sectors and that education and training institutions should be in alignment as well. Increasing literacy, improving educational attainment and focusing on skills development for new industries are priorities endorsed in all four reports. The main and most striking difference among the four is between the CEDS and the Advantage Carolina’s Targeted Business Analysis recommendations for industry sectors that should be targeted over the next five to ten years. They offer two different views of what those sectors should be.

Industries Sectors to Target



The Partnership does not have a specific study or written plan to put into the mix for comparison, but it does promote five industry sectors that differ from those promoted by the CEDS and Advantage Carolina. These include:

- Manufacturing
- Distribution
- Business Services
- Logistics
- Creative Industries

Critical Strategic Regional Issues on for Competitive Regional Advantage 2006-2010

- **Business Growth**
 - Grow and expand existing businesses
 - Recruit new businesses
 - Enhance UNC Charlotte's economic research capacity
- **Educational**
 - Address adult and child literacy
 - Strengthen regional educational attainment
 - Enhance workforce technology and priority industry skills
- **Urban Development**
 - Address deteriorating conditions surrounding urban centers
 - Build and support destination and tourism assets
 - Provide additional affordable workforce housing
- **Regional Planning**
 - Enhance mobility
 - Expand telecommunications
 - Infrastructure
 - Implement Catawba River Centennial Collaborative
 - Address air quality and water resources

Excerpted from "Economic/Workforce Development in the Charlotte Region Overview and Comparison of Four Recent Studies and Plans" December 2005



Past, Present & Future Economic Development Investments

Iredell County

Mooreville: Langtree Properties

Langtree Properties has filed with the Mooreville Planning Department for zoning changes to build a \$750 million, massive lake-view project near the future Exit 32. According to Mooreville Mayor Bill Thunberg, the project is “going to be a huge economic investment in that area. It will be a super tax benefit,” he said. “That’s the southern gateway of Iredell County.” The State Department of Transportation has already committed to building a new interstate exit at Langtree Road “that’s supposed to start this fall.”

Langtree Properties plans on building four, five, six and twelve stories on both sides of the interstate with condos, offices, and businesses. Bob Morgan, president of the Charlotte Chamber of Commerce, said, “It is further evidence that the kind of investment we are seeing in Charlotte is also picking up around the region.”

The drawings on file at the planning office include the following:

- North and west of Langtree Road: a 12-story hotel, three six-story residential buildings and several one- to four-story non-residential buildings, including parking. The hotel has 250 rooms, while 375-400 residential facilities would be built nearby. According to plans, Alcove Road would be relocated to better serve the new development.
- South and west of Langtree Road: five five-story residential buildings, four three- or four-story non-residential buildings, three six-story residential buildings and one four- or five-story non-residential building.
- The northeast corner of the interchange: two four-story non-residential properties, a two-story non-residential building, and a nine-hole golf course backing up to the Lowe’s Inc. corporate campus.

The project may include a grocery store of about 35,000-square-feet. Construction of the northwest quadrant – including the hotel -- could begin summer 2007, if approved by the planning board and the Mooreville town board.



Iredell County: Opening of the Lowes Corporate Headquarters and Customer Support Center

Lowe's Inc.'s new customer support center in Mooresville includes a 400,000 sq. ft, 5-level building with 2 office wings with a central core connector atrium housing food service, reception and meeting rooms. The 165-acre campus is currently home to over 1,500 employees. At build out, the campus will house between 8,000 and 10,000 employees.

The campus features a 7-acre lake flowing underneath the building with walking trails and 4 acres of wetlands. Most of Lowe's vendors and suppliers are choosing to open offices in Mooresville-South Iredell to be close to the new campus. New office and showroom space for over 400 vendors is anticipated in the next three years.

Economic Development in Mooresville

According to the Mooresville-South Iredell Chamber of Commerce, between 1995 and 2004, significant economic development announcements in the area included:

- Lowe's Companies, Inc. \$100 million Phase 1 corporate campus
- Cardinal Fig's new glass plant with an investment of \$75 million
- NGK Ceramics' expansion totaling \$66 million in the past three years
- Ingersoll-Rand's expansion totaling \$12.5 million

Cabarrus County

Kannapolis: The North Carolina Research Campus

The North Carolina Research Campus under way in Kannapolis, in partnership with the University of North Carolina System, Duke University and the North Carolina Community College System, will extend the research and job training power of those institutions for the good of our state, our nation and the world.

Located just minutes from Charlotte, the research campus will give North Carolina a biotechnology corridor that stretches across the state. The campus is another step in the state's economic transformation from a leader in traditional industries such as textiles and tobacco to an innovator in emerging industries like biotechnology. Health and wellness will be a primary focus of the research taking place at the campus.

This public-private venture on 350 acres will boast the most technologically advanced biotechnology campus in the country. It will feature several prestigious, university-run research facilities and labs as well as private industries. Community colleges will play a key role by providing job training for area residents who have been hard-hit by economic changes and job losses. The North Carolina Research Campus will be a mixed-used development, providing its tenants, partners and their guests places to live, work, learn and play.



Mecklenburg County**Planned Expansion of the Charlotte Research Institute at UNC Charlotte**

UNC Charlotte established the Charlotte Institute for Technology Innovation (now the Charlotte Research Institute) in December 2000. Research within the Institute focuses on three primary areas: precision metrology, e-business technology, and optoelectronics and optical communications.

The physical facilities of the Charlotte Institute include the existing Cameron Center and Burson Physical Sciences Building. Construction is underway for a Science and Technology Building, which will house the College of Information Technology and its eBusiness Technology Center, as well as the Biology Department and Electrical and Computer Engineering Department.

Also under construction are the Applied Optics and Physics Building, which will house the Department of Physics and Optical Science and the Center for Optoelectronics and Optical Communications, and the Engineering Research Building that the Department of Mechanical Engineering and the Center for Precision Metrology will call home. These three buildings will total more than 360,000 square. The expansion will provide the Charlotte Research Institute with additional instructional and laboratory space in which to partner with businesses seeking solutions to industry challenges.

The University of North Carolina at Charlotte has recently established a Bioinformatics Program. This is a joint effort by scientists within the Departments of Chemistry, Biology, Computer Science, and Mathematics, and in the Research Division of the Carolinas Healthcare Center. The focus of the program is on genetic factors in disease and gene regulation, although Bioinformatics can be more generally defined as the discovery, development and application of powerful computational tools to extract knowledge from complex biological data. Currently, faculty work on a variety of projects including genetic factors in ovarian and hepatic cancer, new approaches to the analysis of microarray data, and the use of systems analysis techniques to understand gene-gene interactions. The Bioinformatics Program will be located in a \$35M, 70,000 square foot Bioinformatics Building under construction on the Charlotte Research Institute Campus of UNC Charlotte.

Carolinas MicroOptics Triangle (CMOT)

The University of North Carolina at Charlotte, Clemson University and Western Carolina University Carolinas formed the Carolinas Micro Optics Triangle (CMOT) in 2002 to formally synergize the technology platforms of the partnering institutions for technology advancement, local education support, support to local companies, and economic development in the region. Since that time over 150 jobs have been created, new degree programs have been established and the region has gained fame as an optics center.

CMOT is supporting key markets in the region by collaborating with companies for homeland defense applications, pharmaceutical diagnostics, automotive components, telecommunications and manufacturing sensing needs.



**Gaston County
Bessemer City**

Bud Antle Inc., an indirect subsidiary of Dole, will invest \$54 million to build and equip a processing plant for vegetables in Gaston County, creating 525 jobs within three years and a total of 900 jobs by 2016. Dole is the world's largest producer of fruits and vegetables.

Pharr Yarns, LLC will build a new state-of-the-art fiber extrusion plant adjacent to its Complex 46 facility in McAdenville, North Carolina. This new manufacturing plant will produce extruded polyester and nylon filament yarns and fiber for our carpet yarn manufacturing operations. The plant and equipment will represent a \$30 million investment in the future of Pharr Yarns.

This new manufacturing plant will result in the creation of up to 75 new jobs when the facility reaches full production (over the course of the next three to four years). The new jobs being created at the plant will be manufacturing related positions such as machine operators, electricians, and technicians as well as management and administrative support positions. Pharr will immediately begin construction of the new manufacturing plant with initial manufacturing operations beginning in 2005.

**Rowan County
NASCAR**

TRD announced that they will build a new Chassis Engineering and Competition Support facility in Rowan County. The Cline Site, on Peach Orchard Road was selected after a lengthy multi-state search. In 2007, Toyota is supporting 7 full-time cars and 2 more cars at some races, in the NASCAR Nextel Cup series. Toyota will also have 4 full-time Busch Series cars and 10 full-time Craftsman Truck Series trucks. The first phase of the development is expected to include a 32,736 square foot facility with a development, test and warehouse area. The site will be prepared to support additional phases of development as appropriate.

Granite Quarry

In one of the biggest projects of the year for the Charlotte region, new life has come to a vacant building and a new industry has come to Rowan County.

PGT Industries Inc. has relocated to the 390,000-square-foot former GDX Automotive building. The \$31 million project is expected to bring 400 jobs by the end of the year with plans to add an additional 300 employees by 2008. The facility near Granite Quarry provides the space the company requires to handle increased production and future growth. By fall 2007, glass tempering and laminating capabilities are expected to be fully operational.

Lincoln County

Calico Coatings announced plans today to invest \$1,500,000 in a new manufacturing facility in Lincoln County, North Carolina. The 20,000 square foot facility will be built in the new Balsom Ridge Business Park off Highway 16 in Denver, North Carolina. Construction is expected to begin in January, 2007 with a tentative completion date in October, 2007



In 2006, Crate and Barrel announced plans to invest \$8,400,000 to expand its distribution center in the Lincoln County Industrial Park. The current 211,000 square foot facility will be expanded to 383,000 square feet. The project will create at least 10 new jobs in Lincoln County.

Union County

The 2005-06 fiscal year saw the relocation and/or expansion of four companies: ATI Allvac investing \$33 million, Parkdale Mills adding 36,000 square feet to its big plant, Metal Recycling Services investing \$6 million in its expanded facility, and the Extreme Ice Center creating one of the largest ice skating and ice hockey facilities in the region. These companies combined with the previous year's activity represent \$97.7 million dollars in new investment and 263 new jobs for Union County.

Monroe

Monroe Economic Development is developing a new industrial park adjacent to the Monroe Regional Airport. AeroPointe Industrial Centre will initially encompass over 80 acres and the first phase is targeted for completion by the end of August 2007.

Darnel Inc. a subsidiary of Colombian-based Ajoever S.A will manufacture plastic foam containers, plates, bowls, "to-go" boxes, and meat trays for the food industry at the former Square D facility located on Airport Road in Monroe. The facility will also be the company's North American Headquarters and the distribution point for many products currently manufactured in South America. The company plans to employ 40 people by the end of 2007, ultimately hiring 100 over the next three years. While wages will vary by job function, the average weekly wage of the new jobs will be \$593 plus benefits.

Anson County

The Anson Economic Development Corp. is developing the Anson Industrial Park-West, a 100 acre industrial park. Located on U.S. 74 in east Polkton with frontage on U.S. 74, and has county water and sewer available.



Appendix

Workforce Providers Survey Summary
County Comparison of Demographic and Economic Variables
County Comparisons of Economic Development Funding

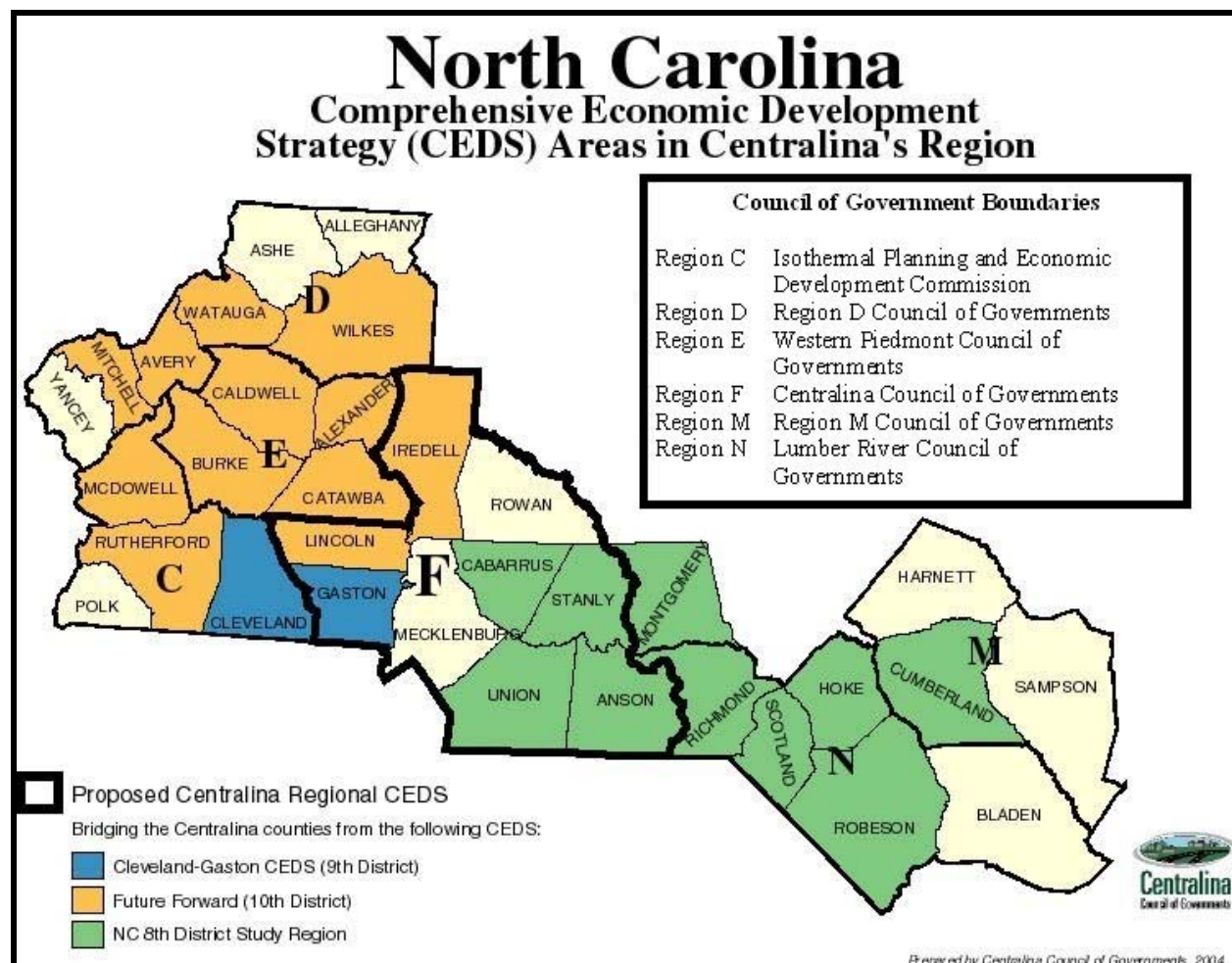


Earlier CEDS Projects in Region

Three other CEDS projects have been developed recently that have included seven of the nine counties in the Centralina region:

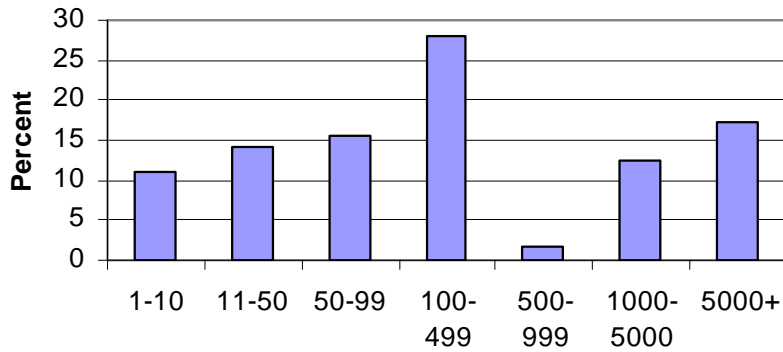
- The Cleveland – Gaston CEDS, representing the 9th District (Cleveland, **Gaston** counties)
 - The Future Forward CEDS, representing the 10th District (Alexander, Avery, Burke, Caldwell, Catawba, **Iredell**, **Lincoln**, McDowell, Mitchell, Rutherford, Watauga, Wilkes counties)
 - The 8th District CEDS (**Anson**, **Cabarrus**, Cumberland, Hoke, Montgomery, Richmond, Robeson, Scotland, **Stanly**, **Union** counties)
- (Bold denotes counties within the Centralina COG)*

A significant amount of resources was devoted to the development of these three CEDS projects, and an objective of this study has been to build upon the work that has been done in these other CEDS. The Centralina Regional CEDS has therefore incorporated assessment information and strategies from reports of the other CEDS projects into its own reports.

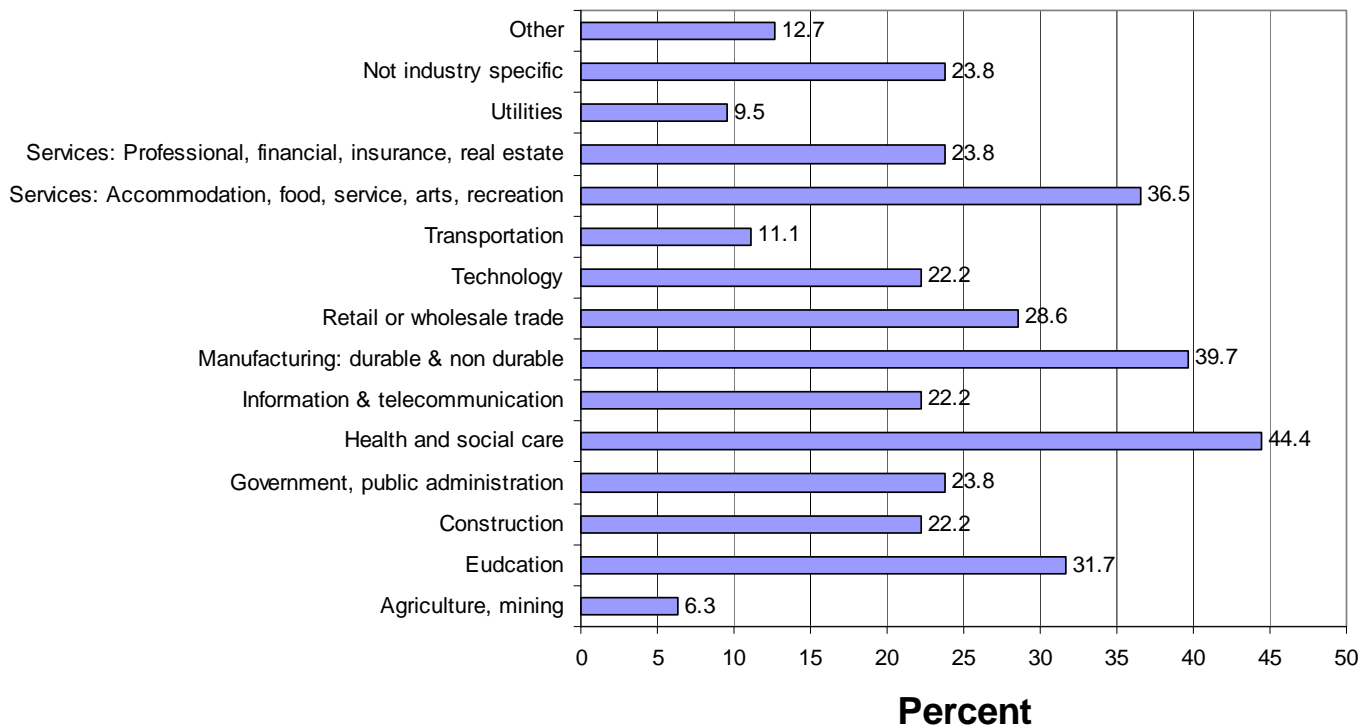


Centralina Workforce Survey Results

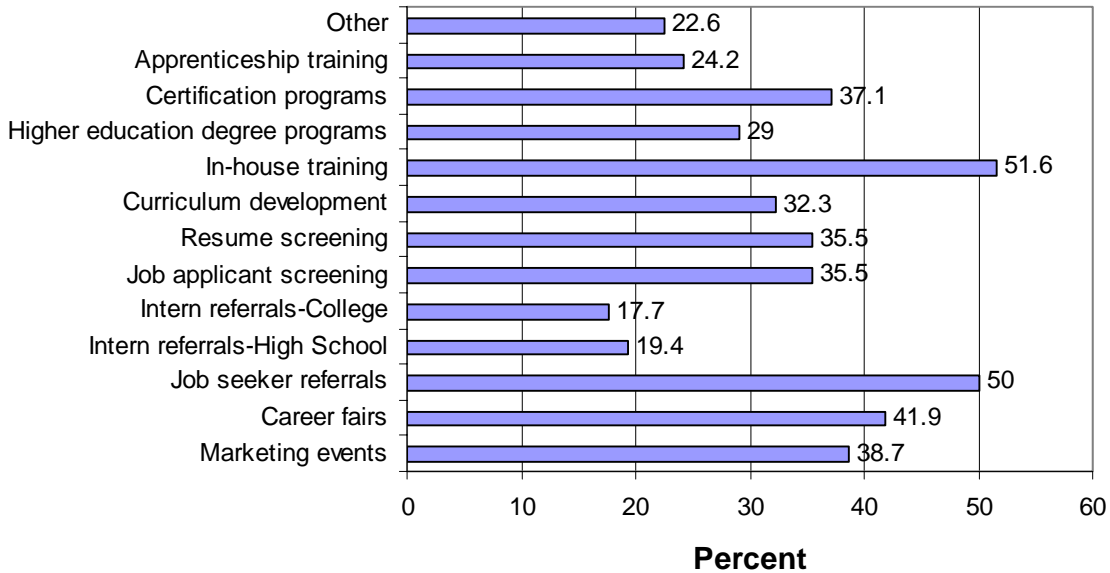
How many area workers take part in your workforce development training activities each year?



Please indicate which, if any, industry category your workforce development initiatives target.

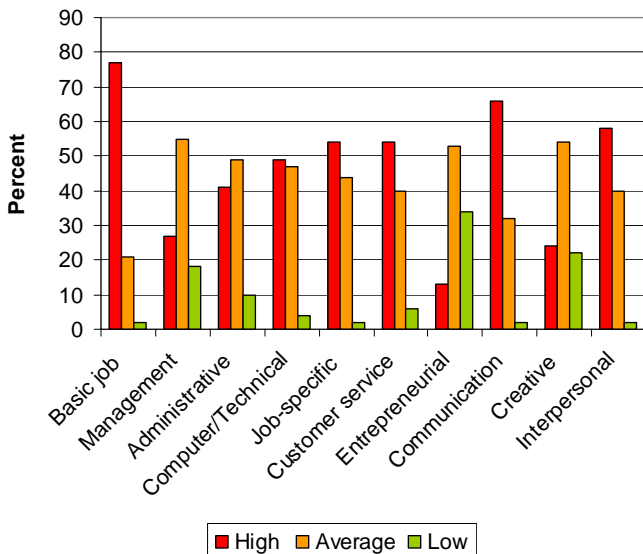


Please indicate which workforce services your organization or agency provides.

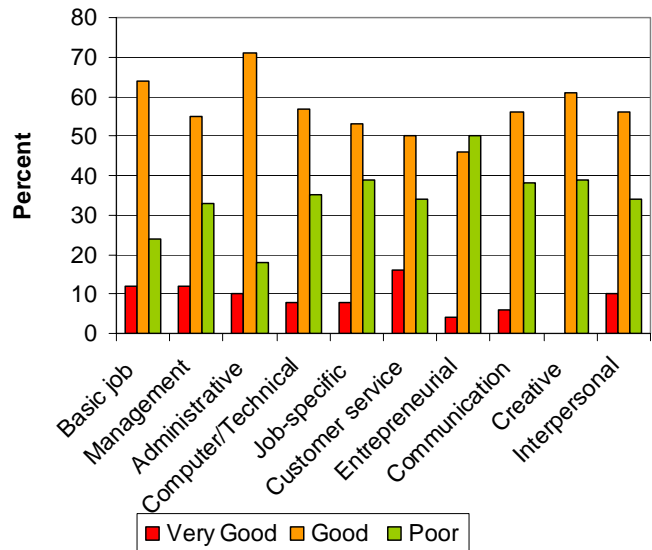


What skills are most in demand by local employers and how prepared is the local workforce to meet those skill traits?

Level of Demand by Area Businesses



Preparedness of Local Workforce



Which skills, if any, is your workforce especially lacking?

1. Computer
2. Basic education, confidence
3. Entrepreneurial
4. Customer service
5. Adaptability to the global economy
6. Personal finance management
7. Skilled trades, professional level
8. N/A
9. Communication
10. Entrepreneurial
11. Basic job readiness skills
12. Computer, color matching ability
13. Communication skills
14. Work ethic
15. Basic job skills
16. Communication, team-work, interpersonal, independent learning
17. High school and GED
18. Computer skills
19. Creative
20. Computer/technical skills
21. Basic skills and communication skills
22. Basic academic skills and interpersonal skills
23. Interpersonal
24. Job specific
25. Technical
26. Basic math and communications
27. Communication, problem solving, team building
28. Basic skills such as reading, writing, communication, etc. (1/3 of our workforce doesn't have a high school degree)
29. Exception: dropouts
30. Many are recently trained and need OJT
31. None. We have a good pool of skill sets to pull from
32. Computer
33. Very good reading and math skills
34. Computer/technical training
35. Continuous improvement quality training
36. At this time, I believe a lack of education
37. Technical training
38. Administrative skills
39. Faculty
40. Industrial maintenance
41. Basic skills
42. Work related values and interpersonal skills
43. Literacy attributed to disability
44. Education and transportation
45. N/A
46. Work readiness



For positions important to employers in the region, which are easiest to fill with local workers?

- | | |
|---|---|
| 1. Custodial | 27. Unskilled |
| 2. Custodial | 28. Service |
| 3. Fast food | 29. Unskilled |
| 4. Manufacturing | 30. Basic |
| 5. Traditional hourly wage positions | 31. Nursing and related has more local supply |
| 6. Poultry workers-manual laborers | 32. Customer service |
| 7. Non-licensed positions | 33. Service |
| 8. Jobs with flex hours | 34. General labor |
| 9. Administrative | 35. Low to medium job skills |
| 10. Manufacturing | 36. Entry level manufacturing |
| 11. Food service | 37. Service industry |
| 12. Entry level such as material handlers | 38. Unskilled or under skilled |
| 13. Unskilled manufacturing and service | 39. Daycare |
| 14. Service | 40. Service area |
| 15. General labor | 41. Low-level service sector hourly labor |
| 16. Low entry jobs with few skills | 42. Manual labor, service jobs |
| 17. Basic duties | 43. Clerical |
| 18. Warehouse | 44. Flexible hours w/good pay |
| 19. Drivers | 45. Service |
| 20. Service/retail | 46. Production worker |
| 21. Basic employment- no skill necessary | 47. Entry level manual labor |
| 22. Service occupations | 48. Jobs with low educational requirements |
| 23. Low skill, low wage | 49. Fast food workers |
| 24. Factory | 50. Restaurant jobs |
| 25. Basic skills | 51. Entry level, all occupations |
| 26. Laborers | |

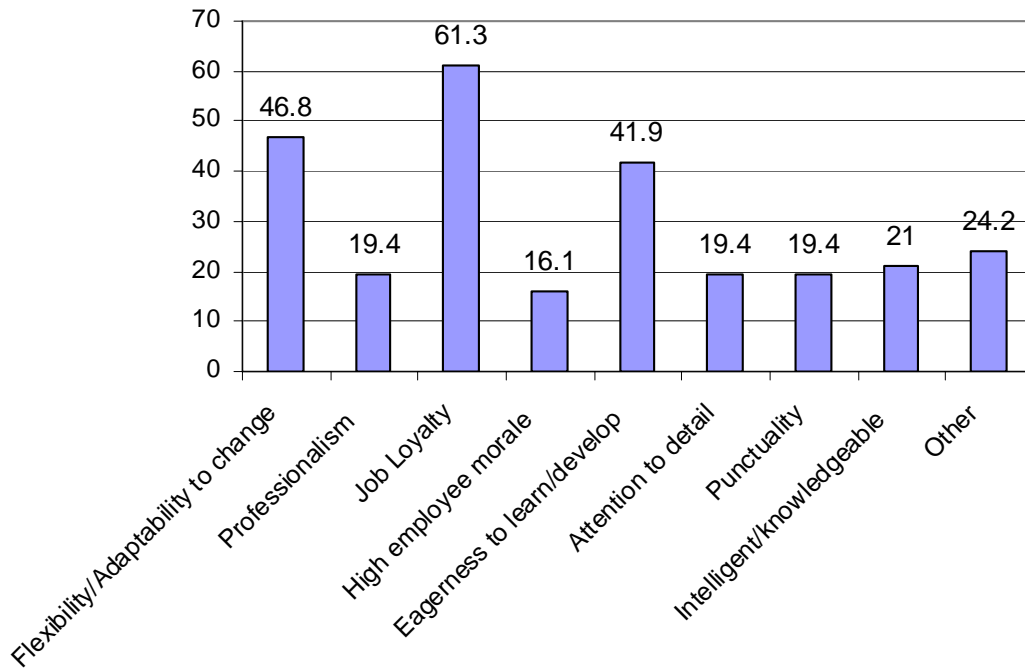


For positions important to employers in the region, which are hardest to fill with local workers?

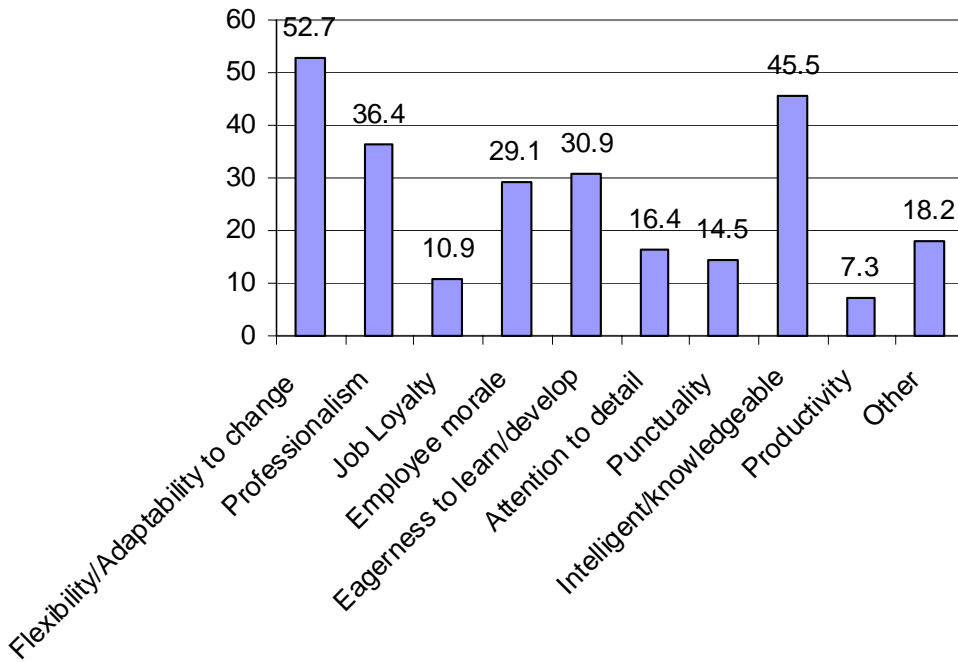
1. Clerical
2. Clerical
3. Jobs that require college and multitasking
4. Administrative
5. Jobs requiring advanced educational degrees
6. Technical- welders, etc.
7. Nursing
8. Jobs without benefits
9. Technical
10. Nursing
11. Skilled
12. Experienced in gravure printing
13. Skilled and semi-skilled manufacturing
14. Manufacturing
15. Bi-lingual administrative
16. High-technical skill
17. Management
18. Executive secretary
19. Professional
20. Technical
21. Placements requiring experience or education beyond high school
22. Health care workers and highly technical occupations
23. Technical
24. Education
25. Job-specific
26. Maintenance/technical
27. High skilled (machinist, heating and air conditioning mechanic, marketing)
28. Highly specialized/technical
29. Skilled
30. Skills/technology
31. Specialty medical fields come from all over
32. Information technology
33. Professional
34. Registered nurses
35. High tech and teaching related
36. Facilities maintenance - electrical
37. Highly technical
38. High technical and management
39. Computer tech
40. Middle management and technical skills areas
41. Specialized skills, i.e. Machine op. And nursing
42. Industrial maintenance
43. Odd hours/ not family friendly/ specialized
44. Professional
45. Manufacturing management
46. Technical
47. Tech jobs
48. Educators
49. Federal jobs
50. Industry specific



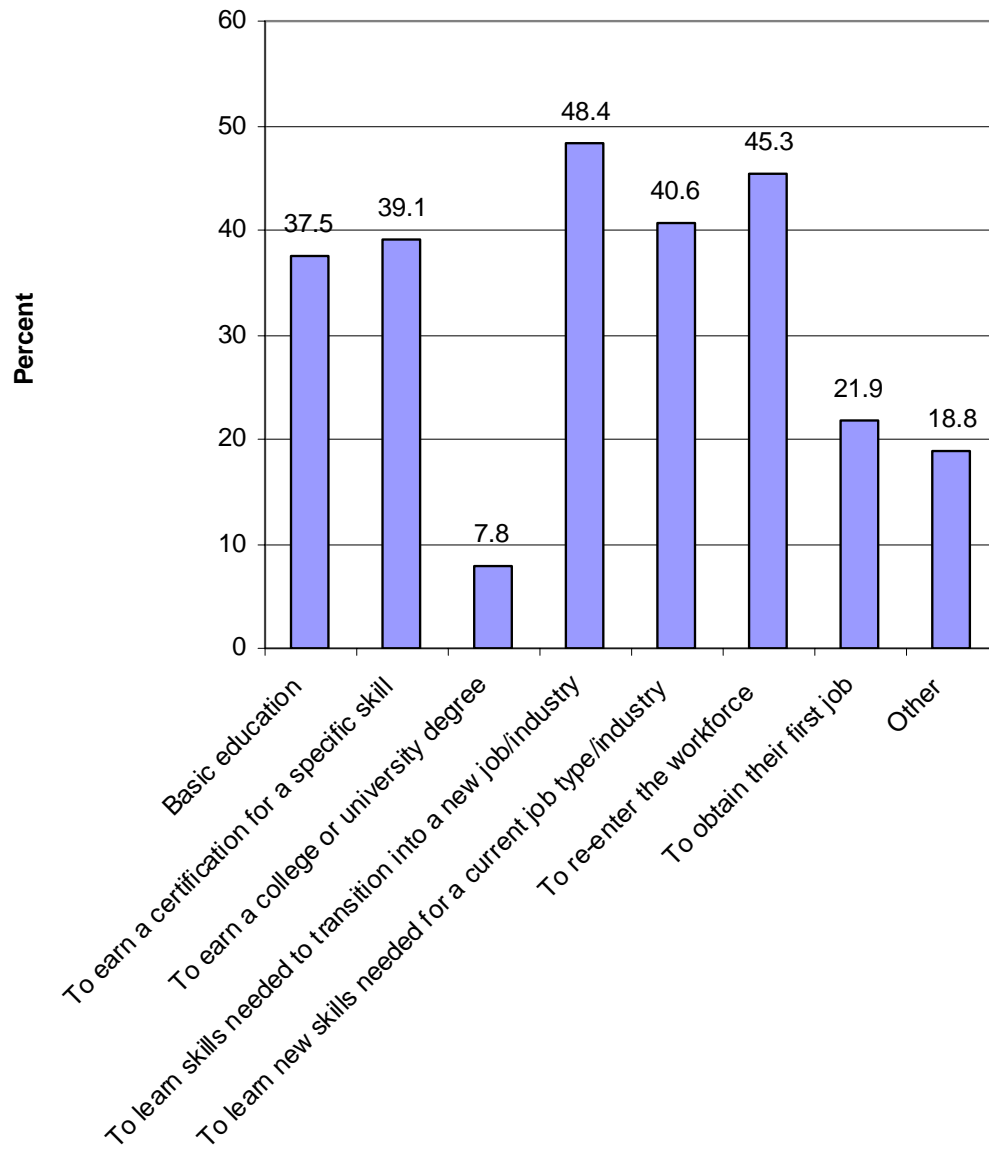
What do you consider to be the three best attributes of the 9-county workforce?



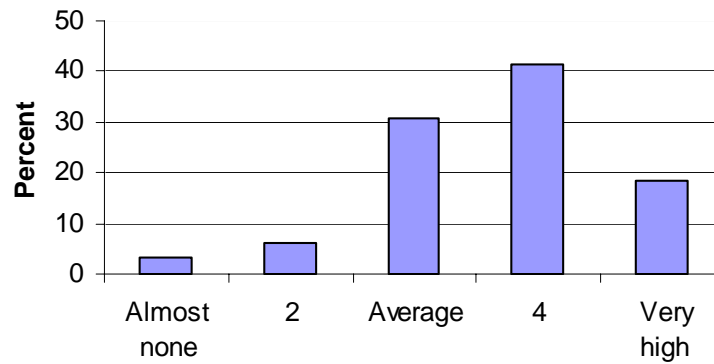
What do you consider to be the three worst attributes of the 9-county workforce?



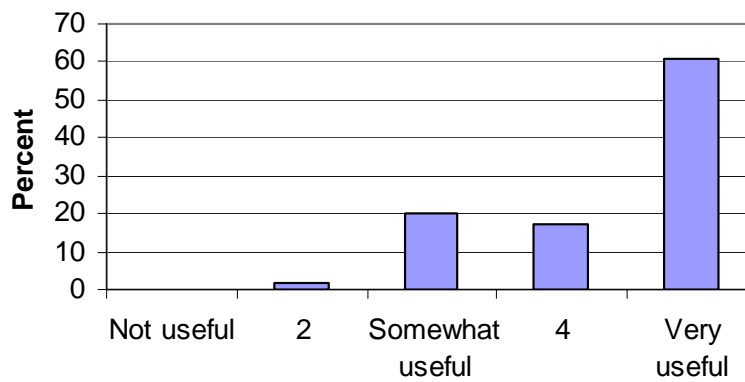
What are the three main areas that clients use your workforce development programs?



How would you describe the level of collaboration and cooperation between area workforce development providers and agencies?



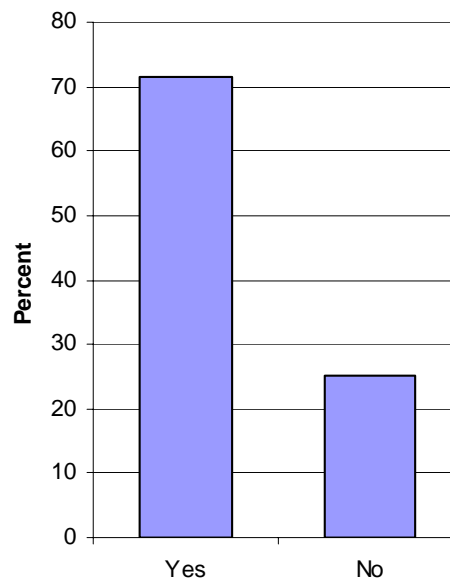
How would you view an enhanced level of collaboration and cooperation between area workforce development providers and agencies?



Are there any educational and/or workforce development programs that you would like to see developed or expanded?

If yes, please list programs you would like to see:

1. Curriculum development for training sessions on widely-used that could be customized and used by most anyone who has training needs but are budget limited
2. Assistance with teeth, glasses when vr can't help because the participant isn't disabled
3. Culture change to the new economy
4. More financial literacy programs
5. Greater efforts toward Latino population
6. Communication and professionalism
7. Trade skills development, basic management/financial skills
8. More high school-secondary technical education
9. Entrepreneurship
10. Job skill training and job readiness for first time employees especially female employees with small children
11. It would be great if small molding shops could get funding to train their employees.
12. Some additional basic courses as well as computer training in house
13. More short-term training that leads to employment
14. Technology training
15. 1Incumbent worker
16. Pathways to employment/short term programs at CPCC
17. Creative thinking.
18. Would like to have source of funds to develop new programs
19. Services for small business operations are in need of additional state funding
20. Funding for focused industrial training and small business centers (community college programs)
21. More technology
22. Youth
23. Machine shop training



24. Focused industrial training
25. More work-based learning opportunities for students
26. Not sure
27. Work-based learning for all students
28. More effective collaboration between providers in region
29. Incumbent training/OJT
30. English as a second language
31. Computer/technical training specific to the older population
32. Technical training in all areas
33. Local computer training classes
34. Business ownership feasibility
35. Without being too specific, we are looking at expanding some of the health occupations offerings, we are expanding our air conditioning, heating, and refrigeration program, we are considering others
36. Area of human/social services & teaching
37. More push at high school level on ed. and less on sports
38. Information technology and biotechnology
39. Vocational education programs

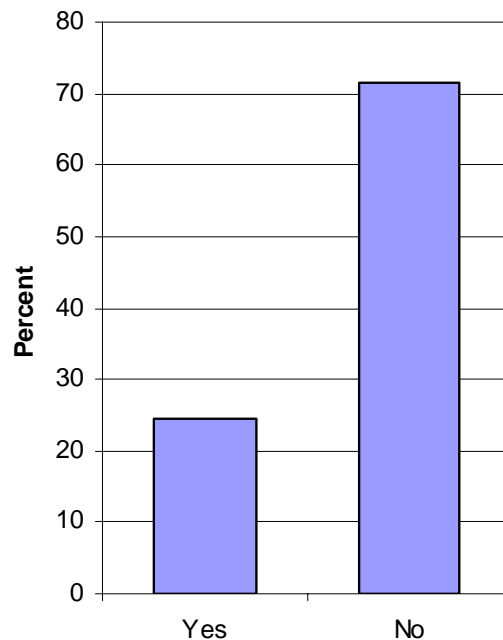




Are there any educational and/or workforce development programs that you feel are ineffective and need to be restructured or eliminated?

If yes, please list those programs:

1. WIA, goodwill job connections
2. Customer service--politeness
3. Too much emphasis on 4- year college
4. Green thumb, work first
5. Unknown
6. Adult and youth services
7. Welfare to Work, Urban League
8. I personally feel that the option of taking college classes in lieu of working is abused by a very high percentage of participants.
9. We need to be better aligned with ESC and the infinite rules and regulations of the TRADE legislation to ensure that clients have the maximum flexibility to pursue training under WIA funds.
10. School-to-Career
11. Some WIA Training Provider OST
12. Computer Education



What information would you like to have from area employers or residents that would help your organization become more effective?

1. Benchmark data collected through surveys and field reporting. This data could be disseminated and used by businesses and community colleges to help develop curriculum and meet community/business needs
2. Continue paper applications other than computer applications which employers are especially interested in mature workers
3. What they are looking for in an employee, and what employees can do to retain their jobs (info besides the job skill basics)
4. Total community needs assessment involving government, education, and industry. Citizen input needed
5. Better communicate/publicize the work of our job ready Program in order to build more partnerships with the business community that would support our student and teacher education
6. A Quarterly Newspaper section directed to our population that could list available services/providers and program highlights. This could also include a "survey" where the issues of those who need services could be expressed to the providers. We are always seeking ways to be more effective
7. Role of construction industry in area and job opportunities related thereto
8. Contact information on citizens interested in starting their own business
9. Job requirements for first time employees and job expectations
10. In put on future hiring needs
11. Future job development trends and needs
12. None
13. There needs to be planning among the workforce development agencies so that each activity is directly connected to the overall goals of the region.
14. More job listings and details of open positions.
15. Would like to have more direct interface with companies regarding pre-employment training and assessments to develop focused programs that prepare workers for entry-level positions. Many potential employees who have been displaced or are re-entering the market need refresher in math/reading before seeking jobs
16. Where are they sending clients who need more intensive and individualized (meaning one-on-one) assistance?
17. Numbers and types of jobs available now and in the future. Trends in business and industry; we get a good bit of this through our program advisory committees, but more is always needed
18. A precise skills inventory
19. From employers, specific shortcomings in applicants they receive from us
20. A higher level of response to the development of a database on jobs and pay scales that local business and industry can provide
21. Current information regarding the Critical needs of regional employers
Appreciation/support of the value of an education and lifelong learning
22. Skills/positions they are having trouble filling
23. Need more employers to participate in school to career and/or tech prep to share industry/business needs
24. Need better avenues for communication between employers and job seekers and more timely coordination of jobs in demand information to the training infrastructure
25. No comment
26. Jobs from employers with good job descriptions
27. Specific job training skills needed, plus give us the time to get them properly trained
28. Weekday, part-time job opportunities for older workers
29. Would like more job listings, and more on the job training
30. Better feedback from results from employers.
31. Complete Job Descriptions With Stated Closing Dates
32. I would like to know about collaborative efforts to help recently unemployed individuals. Sometimes our agency is left out of the loop because we don't have one person who specifically addresses workforce development issues. Yet many of our programs would benefit those who suffer from job losses.
33. Openness to hiring adults with disabilities
34. With a high unemployment rate and low job opportunities in the county it is hard to say WHAT we need
35. A survey of area employers on the skills wanted from entry-level employees

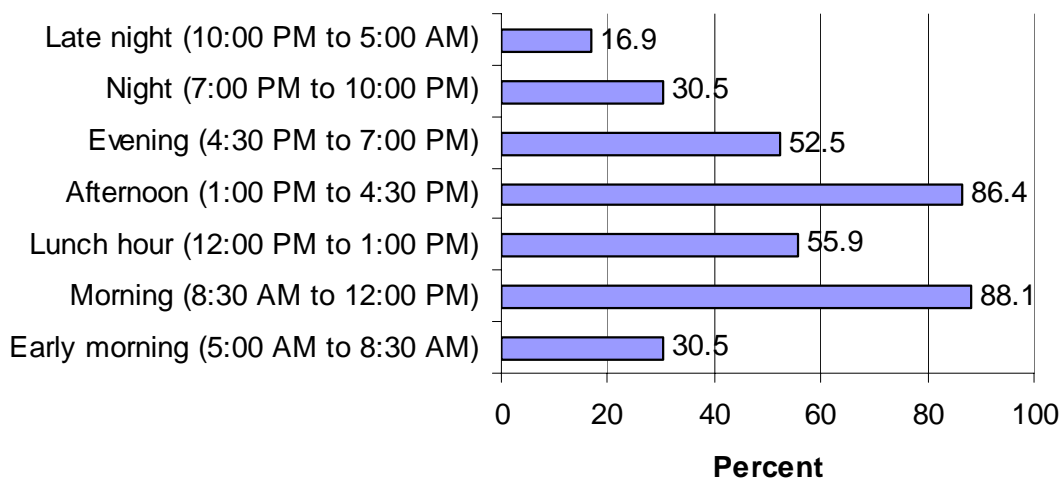


Please feel free to give us your overall comments about the Centralina regional workforce.

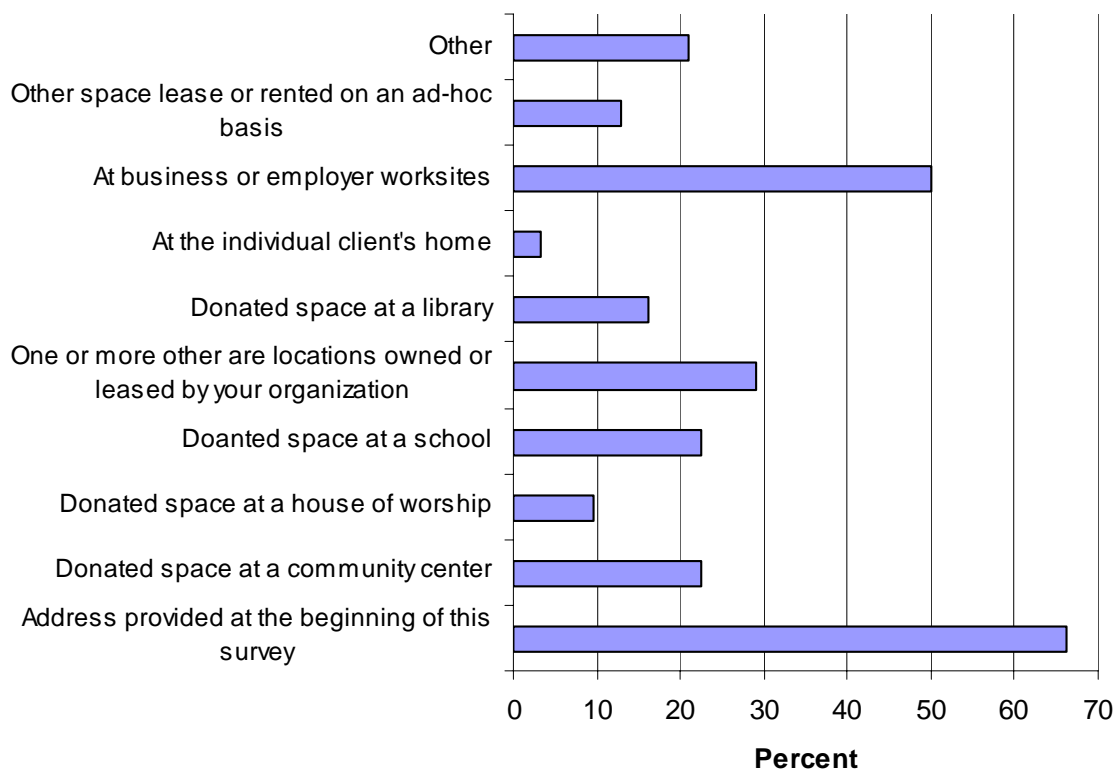
1. We've found them to be flexible and easy to work with. They are tied to some grant paperwork that appears to be more than necessary after working with another state's grant program. If the paperwork could be reduced it may allow them more time for other meaningful tasks
2. Centralina appears to be the most organized and fluid among the five service areas I serve
3. I think it is wonderful and doing well
4. None yet - have to get to know the area as I develop my new company
5. I sincerely appreciate the support your organization has given our JobReady Partnership Program.
6. A large number in our workforce are like refugees... the loss of jobs in our area has affected the self-esteem of everyone. Many who were good, loyal textile/industrial workers have become despondent. After years and sometimes generations of working and living a particular way, they're having a difficult time transitioning to a different path. The trauma of loosing a job eliminates more than a paycheck. They have the desire to return to self-sufficiency, it's hard, like learning a new language and loosing your house at the same time. It's a humanity issue... people need to feel secure and in control of their lives
7. Used to serve on it, but do not see its impact in my current role
8. The Workforce Investment Act programs do not target enough workers. Too much of the funding is used to cover administrative costs rather than provide training for dislocated workers. Many of those receiving the funding are nothing more than a referral agency whose salary would be better spent on providing training for the workers
9. A very diversified group from textile workers to technology developers
10. The Centralina regional workforce needs to become more committed to getting and keeping a job rather than depending upon the government to provide them an "out." Many of the Pillowtex workers could be working, but they choose to take classes at RCCC and really have no intention of attempting to secure employment in those fields. They will take a job when there's no more unemployment or program funding
11. Good people doing good things. Yet, some question to their effectiveness.
Seems to be a disconnect between actions and effect on community. How does agency determine who is impacted, what are the goals of others, and how they work to actually meet those goals
12. The Workforce of the region is more diverse and more prepared in the immediate Mecklenburg physical area than in some of the rural communities. Additionally, many workers outside of Charlotte are unwilling or unable to commute for competitive jobs. Displaced textile workers do possess a strong work ethic, loyalty, and commitment but lag in technical skills and are generally older and less able to adjust to a rapid pace
13. Frankly, I don't feel that it's been very effective in addressing real issues. It spends a lot of time addressing philosophical issues without actually changing anything
14. Centralina is well organized and managed and does a good job collaborating to meet the needs of the workforce
15. Centralina is an area affected by the close of our textile industry; hard working, dedicated, loyal employees
16. Would like to see more meetings between Charlotte Meck and other WDB's
17. No comment
18. The Centralina regional workforce has great teamwork with professionalism. The local area Director David Hollars provides ongoing information and works hard to enhance the regional workforce
19. Excellent collaboration of private, public, and non-profit vendors in the delivery of employment and training services to customers
20. N/A
21. Good productivity
22. As the Director of this agency I find working with Centralina has been a breath of fresh air. WI enjoy working with the staff and find them to be on our side when it comes to finding solutions to problems that we face in Anson Co. They are willing to go the extra mile



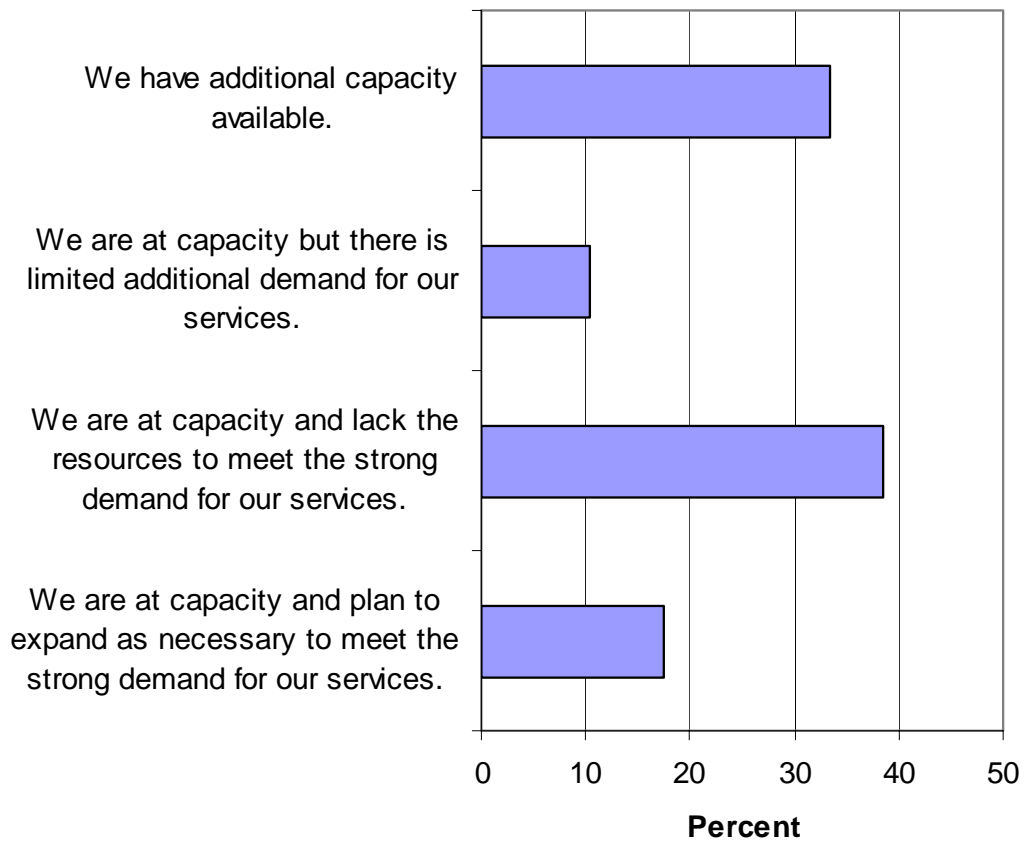
At what times during the day does your organization offer training/workforce development services? (Check all that apply)



Where does your organization offer training/workforce development services? (Check all that apply)



Please indicate which statement best characterizes the ability of your organization to provide services to additional clients.



Economic and Demographic Variables – County

	Centralina	Anson	Cabarrus	Gaston	Iredell	Lincoln	Mecklenburg	Rowan	Stanly	Union
Population										
2003	1652796	25168	142740	193097	133387	67275	752366	133931	58846	145986
1990	1198493	23474	98935	174769	93205	50319	511211	110605	51765	84210
Change, 90-03	37.91%	7.22%	44.28%	10.49%	43.11%	33.70%	47.17%	21.09%	13.68%	73.36%
Age Groups (2003)										
0-13	19.70%	18.90%	19.80%	19.00%	19.60%	18.80%	20.20%	18.80%	18.50%	21.50%
14-24	14.10%	14.70%	14.30%	13.90%	13.80%	14.00%	14.10%	14.80%	14.80%	14.90%
24-45	31.40%	27.60%	30.00%	29.00%	28.70%	29.20%	34.20%	28.30%	27.40%	30.50%
45-65	23.70%	24.40%	24.20%	24.90%	25.00%	25.70%	22.70%	24.10%	24.60%	23.60%
65+	10.80%	14.10%	11.60%	12.80%	12.70%	12.00%	8.80%	14.00%	14.60%	9.70%
Change in 24-45, 90-03	28.91%	3.12%	37.31%	1.98%	31.85%	21.95%	36.16%	12.99%	4.80%	112.56%
Race / Ethnicity, 2003										
White	72.9%	49.4%	83.2%	82.9%	82.1%	90.2%	64.0%	79.9%	84.6%	82.8%
Black	21.3%	48.8%	12.3%	13.9%	13.7%	6.5%	28.0%	15.9%	11.5%	12.6%
Hispanic	6.3%	1.0%	6.5%	3.8%	4.2%	7.2%	8.1%	5.2%	2.6%	7.9%
Change in Hispanic, 90-03	837.7%	279.1%	1835.8%	754.2%	743.9%	753.5%	811.3%	981.0%	395.1%	1608.0%
Educational Attainment (2003)										
Some College, No Degree	21.50%	16.90%	21.80%	21.20%	21.00%	21.20%	22.50%	20.30%	17.70%	15.00%
Associate's	6.70%	5.60%	7.10%	6.40%	7.80%	5.60%	6.80%	6.10%	7.00%	5.60%
Bachelor's	18.40%	6.40%	14.20%	10.20%	12.50%	9.40%	26.40%	10.20%	9.00%	6.60%
Graduate	7.10%	2.60%	4.60%	3.80%	4.70%	3.30%	10.40%	3.80%	3.50%	3.10%
Housing										
Median home value, 2000	\$ 106,600	\$ 60,300	\$ 105,400	\$ 86,600	\$ 103,000	\$ 92,000	\$ 131,000	\$ 88,000	\$ 84,000	\$ 114,000
Income										
Median household income, 2003	\$ 47,628	\$ 31,953	\$ 49,298	\$ 42,136	\$ 44,643	\$ 44,346	\$ 53,799	\$ 40,338	\$ 39,518	\$ 53,795
Per capita income (PCI), 2003	\$ 24,827	\$ 16,169	\$ 22,532	\$ 20,799	\$ 22,551	\$ 20,127	\$ 29,131	\$ 19,329	\$ 19,056	\$ 23,359
PCI change, 90-03	71.4%	72.2%	67.9%	67.8%	72.8%	63.2%	73.8%	63.4%	71.4%	80.3%

Comparisons

Source: 2000 Census



Economic and Demographic Variables – County Comparisons (continued)

	Centralina	Anson	Cabarrus	Gaston	Iredell	Lincoln	Mecklenburg	Rowan	Stanly	Union
Labor Force										
Labor Force, 2003	887024	10889	77433	103478	70165	36275	417880	70368	26608	73928
Change, 90-03	31.50%	-7.40%	39.78%	8.39%	33.88%	28.84%	40.18%	20.24%	-6.31%	59.62%
Unemployment rate, 2003	6.6%	11.0%	8.0%	7.5%	6.5%	7.4%	5.8%	9.0%	8.7%	4.9%
Employment										
Covered employment, 2003	823524	8023	57794	68689	55523	19458	501199	46627	19491	46720
Change in employment, 90-03	28%	-13%	43%	-14%	34%	27%	38%	18%	-8%	34%
Layoffs, 02-04	21,650	80	5,520	2,257	1,331	212	8,490	2,400	719	641
Average wage	\$ 39,082	\$ 25,480	\$ 32,344	\$ 29,900	\$ 30,472	\$ 27,092	\$ 44,772	\$ 31,616	\$ 25,948	\$ 30,368
Commuting, 2000										
% workforce commuting in		23%	38%	25%	24%	28%	31%	26%	17%	28%
% resident workers commuting out		40%	47%	37%	31%	52%	9%	32%	32%	47%
Tax Rates										
Property tax, \$ / \$100 valuation	\$	0.7760	\$ 0.5600	\$ 0.8930	\$ 0.4350	\$ 0.6200	\$ 0.7364	\$ 0.6300	\$ 0.6675	\$ 0.5300
Sales tax		2.5%	2.5%	2.5%	2.5%	2.5%	3.0%	2.5%	2.5%	0.025
Small Business Lending										
Total amount of loans, 2002	\$ 2,012,416,000	\$ 18,153,000	\$ 142,762,000	\$ 188,519,000	\$ 155,338,000	\$ 58,936,000	\$ 1,159,697,000	\$ 97,764,000	\$ 34,514,000	\$ 156,733,000
Number of loans	46,657	509	3,568	3,944	3,663	1,619	25,451	2,725	1,278	3,900
Average loan amount	\$ 43,132	\$ 35,664	\$ 40,012	\$ 47,799	\$ 42,407	\$ 36,403	\$ 45,566	\$ 35,877	\$ 27,006	\$ 40,188
Sites and Infrastructure										
Sq ft available industrial space	26,886,667	389,660	7,842,436	4,460,052	2,023,730	504,526	7,651,461	2,243,478	717,193	1,054,131
Average rent / sq ft industrial	\$ 2.80	\$ 2.28	\$ 3.23	\$ 2.36	\$ 2.79	\$ 2.79	\$ 3.19	\$ 2.26	\$ 1.76	\$ 2.74
Homes with internet access, 2003		56.04%	98.45%	85.71%	78.09%	60.21%	87.70%	75.98%	89.09%	73.81%

sources: US Census Bureau; Applied Geographic Solutions; NC Employment Security Commission; NC Dept of State Treasurer; Federal Financial Institutions Examination Council; Charlotte Regional Partnership

Source: 2000 Census



Charlotte Region Economic Development Organizations							
County	EDA Organization	Mission Statement	Org. Entity	Private Funding (%)	Estimated ED Budget	County Population	Per Capita Resources
Anson	Anson County Economic Development		County	0	\$150,000	25,168	\$ 5.96
Cabarrus	Cabarrus County Economic Development	The Mission of Cabarrus Economic Development is to responsibly recruit new business and support existing business in such a manner that: - The tax base of Cabarrus County is expanded and diversified. - The employment opportunities for the people of the County are expanded and diversified. - A positive business environment is assured throughout the county and the region and is clearly demonstrated to new and expanding business. - Existing business is supported and encouraged. - Maintenance and expansion of community infrastructure is encouraged. The resources of Cabarrus County are made readily available to new and expanding business	501 (c3)	0 (as of now but will change within 3-6 month)	\$450,000	142,740	\$ 3.15
Gaston	Gaston County Economic Development	The Gaston County Economic Development Commission (GCEDC) is dedicated to attracting and retaining desirable employers to continue improving and diversifying economic opportunities in the county. The GCEDC's main functions are: - attracting new, quality industry and commerce; - helping existing industry and businesses grow; - stimulating development of appropriate land and buildings; improving area infrastructure, especially water, sewer and transportation; - improving the general business climate, including conditions for new industry; - informing citizenry of the advantages of economic development	department government	9%	\$1,500,000	193,097	\$ 7.77
Iredell					\$477,298	133,387	\$ 3.58
	Mooresville/ South Iredell Chamber of Commerce	The Mooresville-South Iredell Chamber of Commerce is dedicated to prosperity and quality of life through the promotion of orderly and planned developments, and a commitment to the economic and social well being of the area.	Chamber	through Chamber 43.49%	\$252,298		
	Greater Statesville Economic Development Corporation	The purpose of the Greater Statesville Development Corporation is to stimulate and promote the industrial and commercial development of the City of Statesville and the Town of Troutman, North Carolina, and the surrounding area by providing services and assistance of a nature and kind calculated to encourage and facilitate the locating, establishing, building, operating, maintaining and expanding of new and existing businesses and industries in the Statesville-Troutman community and area.	501 (c3) 501 (c6)	13.33% (\$30,000)	\$225,000		
Lincoln	Lincoln County Economic Development	To foster an economic environment that promotes: • An increased tax base • Enhancement of the standard of living for the citizens of Lincoln and Lincoln County.	501 (c3)	12%	\$359,000	67,275	\$ 5.34



Charlotte Region Economic Development Organizations (continued)							
County	EDA Organization	Mission Statement	Org. Entity	Private Funding	Estimated ED Budget	County Population	Per Capita Resources
Mecklenburg					\$5,050,000	752,356	\$ 6.71
	Charlotte Chamber of Commerce				\$1,000,000		
	Charlotte Center City Partners	To make the Center City a great place to live, work and play.	501 (c4)	1%	\$1,800,000		
	City of Charlotte	We will partner with internal and external organizations, within a Smart Growth framework, to: <ul style="list-style-type: none"> • Retain and expand existing businesses; • Provide tools and resources to promote small business development; • Promote development and investment along business and transit corridors; • Attract new business investment and jobs; and, • Ensure that a diverse population participates in economic opportunities. 	Government	0	\$2,250,000		
Rowan	Rowan County Economic Development	To promote a vital economy, to improve the overall quality of life for residents of Rowan County	501 (c4)	0	\$400,000	133,931	\$ 2.99
Stanly	Stanly County Economic Development	The purpose of the Economic Development Commission is two fold: work for the expansion of our current tax base through the recruitment of desirable new industry and promotion of expansion by existing industry and commercial enterprises; and, to continually provide for the improvement of the quality of life for our citizens through desirable Economic Development	County	0	\$170,596	58,846	\$ 2.90
Union					\$475,000	145,986	\$ 3.25
	Union County Partnership for Progress		in the process of applying for 501 (c3)	100% County	\$250,000		
	City of Monroe Economic Development	The Monroe Economic Development office seeks to improve the overall quality of life of every citizen in the Monroe City Limits, through the recruitment and retention of industry that will increase the per capita income, provide new opportunities, and reduce the overall tax burden; while strengthening the local economy through the diversification and broadening of the tax base.	funded by City of Monroe	0	\$225,000		
Charlotte Regional Partnership		To allocate and leverage regional economic development resources to sustain and enhance the economic growth, vitality, and global competitiveness of the Charlotte region.	501 (c6)	50%	\$2,300,000	2,263,253	\$ 1.02

* 50% small business development center and 50% general

