



2007 BusinessFirst Charlotte Annual Review

presented by

businessfirst
charlotte
a City-Chamber Program

A partnership of
the City of Charlotte and the Charlotte Chamber



We Believe in Business

At BusinessFirst Charlotte, local businesses are our customers. The information presented in this report is compiled from more than 400 BusinessFirst Charlotte interviews conducted between October 2006 and December 2007. Businesses visited represent a variety of public, private and non-profit sectors. Together, these businesses represent more than 130,000 jobs in Charlotte and Mecklenburg County.

Created in 2006, BusinessFirst Charlotte is a joint program between the City of Charlotte and the Charlotte Chamber focused on you – the business owner. Why BusinessFirst Charlotte? Just as our name implies, we understand the value of our local business community and its importance as the driving force behind a thriving economy.

BusinessFirst Charlotte serves businesses through advocacy and customer service, assisting in growth and improving the overall business climate. Businesses support our local economy by creating jobs. In fact, studies show more than 80 percent of a community's job growth comes from its existing business



base. Business growth is also a critical stabilizing force for our local tax base. But businesses in Charlotte do more. They form the backbone of our local economy by investing in people as well as the charitable, cultural and civic causes that make Charlotte a great place to live.

A Better way to Build

How do we grow and diversify an already strong local economy? The simple answer is to keep the businesses we have happy and growing. At BusinessFirst Charlotte, we believe the best way to do this is to go straight to the source – you the business owner or organizational leader. We believe in building long-term relationships with local businesses, so we can understand the opportunities and challenges facing Charlotte’s business community. Honest dialogue is our strategy. Each day BusinessFirst Charlotte volunteers, many of whom are volunteers from other businesses, canvas our community meeting face-to-face with executives, owners and key decision makers in a wide array of business and industries.

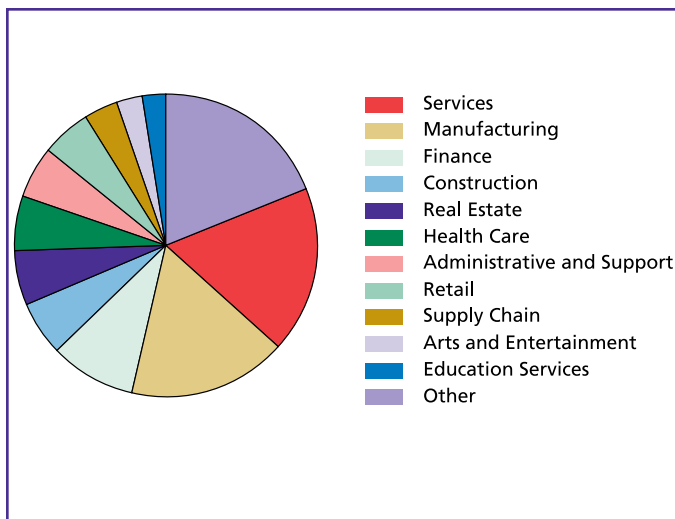
The purpose of these meetings is to gain a better understanding of local business needs and expectations. We accomplish this through asking questions focused on all aspects of business, including workforce, housing, education, tax structure and the overall quality of the community.

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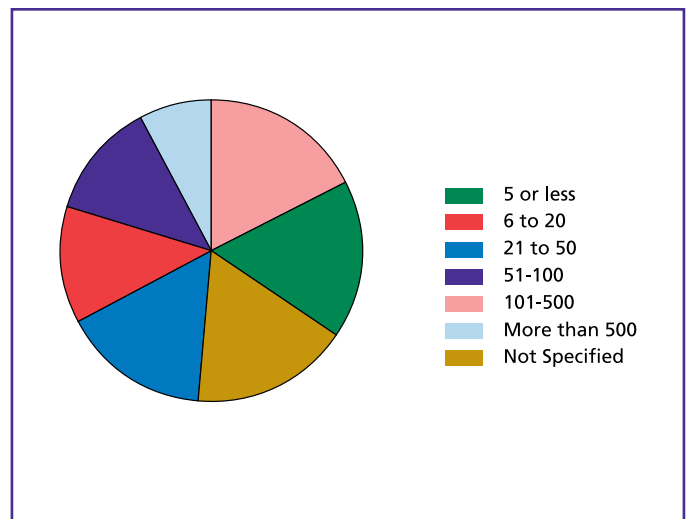
The Benchmarks

The goal of our personalized meetings is threefold: build relationships, solve problems and identify trends that may point to trouble on the horizon. Each year, we will report our findings in areas critical to your business and offer strategies on how we can collectively overcome challenges.

Businesses Interviewed – by Sector



Businesses Interviewed – by No. Employees



Business Barometer

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According to the companies interviewed, Charlotte continues to be a great place to do business. Business decision-makers were asked to give their opinions on a wide range of items that comprise our local business climate, including local government, workforce availability, tax structure, economic development, housing, education and training. An astounding 95 percent of respondents rated the local business climate as excellent or good, with the majority expecting the trend to continue into the future. Perhaps more importantly, business owners see the community headed in the right direction. More than 80 percent believe the business climate is better today than five years ago, and a similar percentage believe that it will be better yet five years from now. Business leaders provided additional insight into the strengths and weaknesses of our community.

Workforce

Of those surveyed, 62 percent have increased employment over the life of their companies, with 49 percent indicating they would be hiring additional staff in the next 12 months. Yet only a third of companies expressed difficulty in recruiting employees, and just 15 percent identified retention as a problem.

Space/Facility

While the success of local companies has fueled our economy, these businesses also pose the greatest threat of relocation from our city. Many of the companies interviewed are maximizing the equipment and/or space capacity in their facilities and will soon be looking to expand or relocate for added space. BusinessFirst Charlotte identified 59 companies that are planning expansions in the next 12 to 18 months, but have no capacity to expand at their current locations. Overall, more than half of respondents are utilizing 90 percent of their space capacity, and 50 percent of respondents are utilizing more than 90 percent of their equipment capacity. Consistent with other indicators of a growing local economy, about half of all businesses interviewed are planning local expansions in the next 12 to 18 months.

Quality of Life

The community of Charlotte ranked extremely positive among respondents with 94 percent having a positive attitude toward the community, 5 percent being neutral and just 1 percent expressing negative feelings towards the community. Respondents provided high marks to the area's colleges and universities, housing opportunities, and cultural and recreational amenities. Furthermore, they support these organizations with time and money. More than half of those interviewed indicated involvement in civic and cultural organizations, such as the United Way or the Arts and Science Council. Clearly, area businesses value a community where their employees can live, work and play.



Busting Bureaucracy

Navigating the bureaucracies of large organizations can burden even the most savvy business owner. As part of BusinessFirst Charlotte's goal of serving business through advocacy and customer service, the program works to address the problems identified by local businesses on a case-by-case basis.

From retail outlets to manufacturing facilities, BusinessFirst Charlotte volunteers have identified opportunities to help local businesses, and BusinessFirst Charlotte partners have stepped in to solve problems. For one company, a change in the way its wastewater bill was calculated cost it thousands of dollars a month. Another firm saw business hurt because of loitering teens. Other companies needed better training for their workers in order to grow. In each case, BusinessFirst Charlotte partners stepped in to help the business resolve its problem. In fact, BusinessFirst Charlotte partners have positively impacted the bottom line of businesses served by at least \$500,000.

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Breaking Business Barriers

While the overall perception of the Charlotte-Mecklenburg business climate is strong, several areas of concern were identified by businesses interviewed. As shown on the following page, eight of 26 areas received an "excellent" or "good" rating from less than half of the respondents. In many cases, the results of BusinessFirst Charlotte surveys have confirmed business concerns that previously were cited anecdotally. In some areas, work has already begun to address the concerns, while in other areas additional information is necessary to form an action plan.

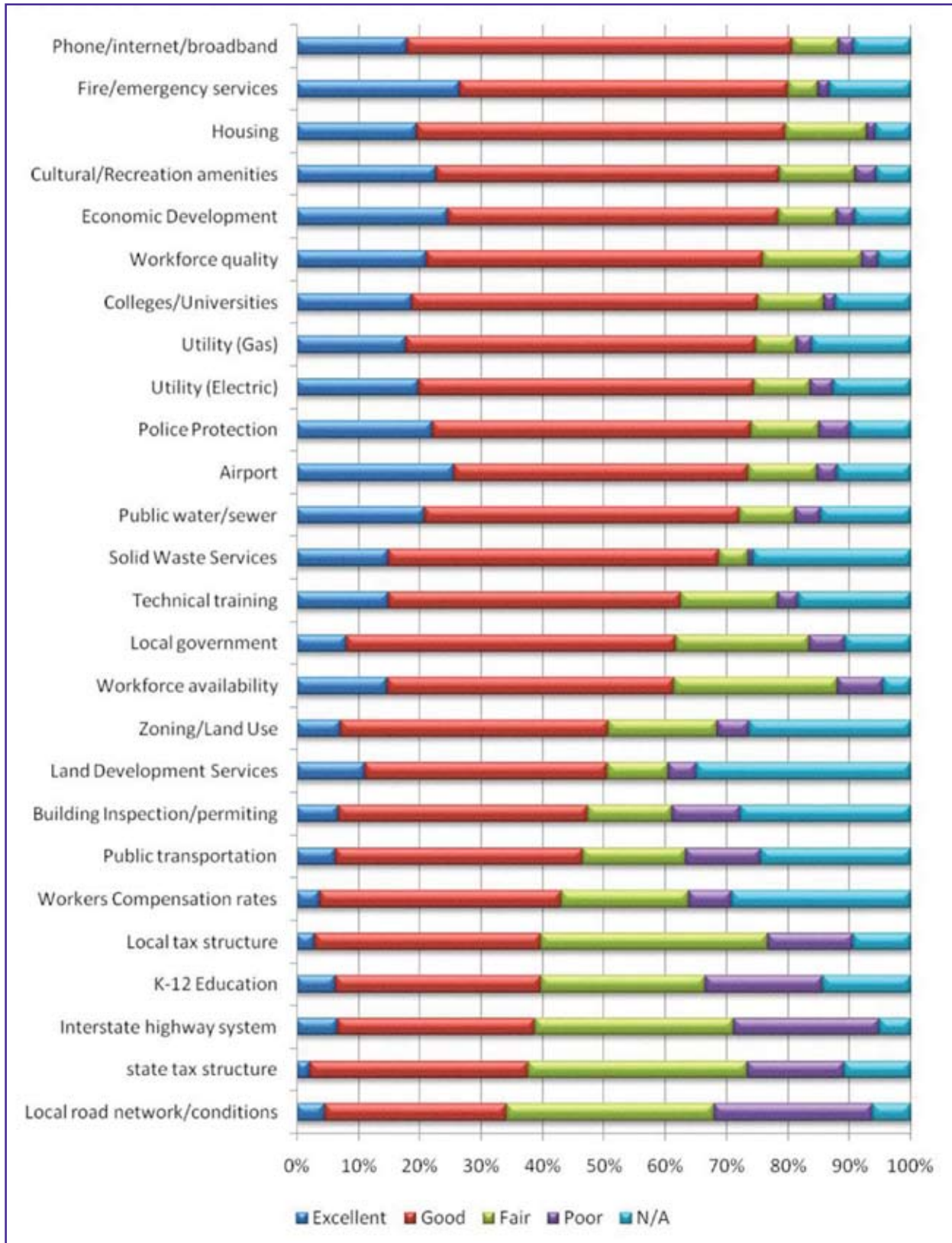
Building Inspection/Permitting

Beginning in the fall of 2005, the Charlotte Chamber launched a three-part series in its *Ventures Charlotte* magazine outlining complaints about the building inspection and permitting process. The articles and a forum co-hosted by the Charlotte Chamber and the National Association of Industrial and Office Properties have led to an increased dialogue between the business community and the Code Enforcement office. Permitting process improvements and improving the efficiency of plan reviews is also a key initiative in the City of Charlotte's Economic Development focus area. The Permitting Improvement Report will be adopted by Council in fiscal year 2008. The City expects to implement 80 percent of the recommendations by the end of fiscal year 2009 and to set ambitious goals in reducing the number of days it takes to get a permit.

Public Transportation

At the end of 2007, voters overwhelmingly supported the half-cent sales tax for Charlotte-Mecklenburg's public transportation system. Three weeks later, the LYNX Blue line, Charlotte's first light-rail, opened with greater than projected ridership. BusinessFirst Charlotte will continue to monitor the business community's perception of public transportation in light of these events.

Business Rating of Key Service Areas



Workers' Compensation Rates

While a number of bills filed in the General Assembly this year would have increased workers' compensation insurance rates, pro-business legislators not only prevented action on this legislation, but also passed new legislation aimed at fighting workers' compensation fraud.

Tax Structure

At both the state and local level, respondents expressed concern about the tax structure. Cities and counties in North Carolina have little flexibility in the types of taxes that they collect. The main source of local government revenue is an ad valorem tax on real and personal property collected annually. Additional funds are collected through a sales and use tax. State tax revenues are largely dependent on corporate and personal income tax along with a state sales tax. The Charlotte Chamber advocates for lower corporate and personal income tax rates as well as structural changes on issues such as the sales tax on energy used by manufacturers and the treatment of affiliated corporate tax returns. In 2007, the General Assembly enacted Chamber supported changes in these areas. While survey questions about tax structure often reflect concern about high tax rates, Charlotte compares favorably to similar-sized cities in the U.S., being named among the top 15 least expensive major U.S. cities by the Kosmont-Rose Institute Cost of Doing Business Survey.

K-12 Education

While Charlotte-Mecklenburg Schools is regularly recognized nationally as a top urban school district, concern remains locally about the quality of the overall system. Superintendent Peter Gorman has received early praise for his transparency and willingness to implement new strategies, such as decentralization. Following the defeat of a school bond package in 2005, the community overwhelmingly supported a larger bond package in 2007. The Charlotte Chamber, in cooperation with Mecklenburg Citizens for Public Education, will continue to advocate for reforms necessary to strengthen the public school system.

Road Network

Businesses were least favorable to the current condition of the interstate highway system and local road network. In response to business concerns, the Charlotte Chamber has formed a transportation task force to identify road needs and advocate for government investment in the Mecklenburg road network. Noting that Governor Jim Martin was the last governor to emphasize road infrastructure, the Chamber has invited all of the announced gubernatorial candidates to Charlotte to discuss their road building strategies. Additionally, in November 2008, citizens will likely have the opportunity to vote for bonds for local roads.

Building Business

As BusinessFirst Charlotte enters its second year, the City of Charlotte, the Charlotte Chamber and all of our partners remain committed to hearing the concerns of our existing industry and addressing business needs to grow our economy from within. With visits to more than 400 companies so far, we have a firm base to work on the overarching issues in this community. With a commitment to helping business grow, we will continue to meet with existing industries to insure that this community provides outstanding customer service to the businesses that fuel our economic engine.

Branching Out

If you know of a company that is:

- Encountering barriers to business growth
- Considering a facility expansion
- Experiencing infrastructure or utility issues
- Having difficulty navigating local land development and/or regulatory processes
- Considering acquiring another company, being acquired or merging
- Having difficulty finding qualified personnel

Please have the owner or senior manager contact a BusinessFirst Charlotte representative at 704-378-1345 or visit www.BusinessFirstCharlotte.com.

Better Relationships THANK YOU TO OUR PARTICIPATING COMPANIES:

1-800-PACK-RAT	Central Piedmont Community College CEO Inc.	First Colony Capital LLC	MECA Properties	Smith Barney
1st Metropolitan Mortgage	CH2M Hill	First Trust Bank	MedCath Corp.	Smith Turner Group
A&W Electric, Inc.	Charlotte Area Transit System (CATS)	Focalpoint	Media Com/Snap 5	Socialserve.com
A+ Accommodations & Relocation Inc.	Charlotte Bobcats Arena	Foundation for the Carolinas	Media Evolved Mfg LLC	Solectron Technology, Inc.
AAA Carolinas	Charlotte Center City Partners	Founders Federal Credit Union	Mercer LLC	Sotto Wireless
ABM Landscape Services	Charlotte Chamber	Fox's Pizza Den	Mert's Heart & Soul	South Charlotte Banquet Center
Accenture	Charlotte Copy Data	The Galilee Agency Inc.	Metro Paws	Southeast Anesthesiology Consultants PA
Access Coverage Corp.	Charlotte Douglas International Airport	Gas-Fired Products, Inc.	Microsoft Corporation	Southeast Valve, Inc.
AccruPartners	Charlotte Museum of History	GE Energy Services	Midrex Technologies Inc.	Southern Financial Associates
Acorn Communications	The Charlotte Observer	General Dynamics Armament & Technical Products	Mirrormate	Southern Hospitality and Supply (SHS/JAN)
Acoustical Interiors Inc.	Charlotte Pipe & Foundry Co.	General Steel Drum Corp.	Monaghan Group	Southern Logistics Center
AGDATA	Charlotte Radiology	Genpak Corporation	Montreat College	SPARK Publications
Ajilon Finance	Charlotte Sister Cities Inc.	Gerdau AmeriSteel Corp.	Moore & Van Allen PLLC	Spectrum Contract Services
AKI Concierge Services	Charlotte Sports & Spine	Get the Lead Out LLC	Mount Vernon Asset Management LLC	SPX Corporation
Aldersgate CCRC	Charlotte Surgical Group PA	Gevity	Mulkey Engineers & Consultants	Starbucks Coffee Company
All American Roofing Inc.	Charlotte Tech Consulting	Global Compliance Services Inc.	Nancy A Ridenhour CDP	Steele Creek Physical Therapy & Balance Center, Inc.
All in One Drug Testing Services	Charlotte Truck Center/ Freightliner of Charlotte	Goodmortgage.com	NASCAR Images, LLC	Steeffab, Inc.
All South Supply Inc.	CharlotteNCsaves.com	Goodrich Corp. (H Q)	NASCAR Inc.	StrataForce
Allegra Print & Imaging	Cheap Joe's Art Stuff Inc.	Goodwill Industries of the Southern Piedmont	National Gypsum Co. (H Q)	Sunlife Systems International, Inc.
Allen Tate Company	The Cheesecake Factory	Grant Thornton LLP	NewDominion Bank	SunTrust Bank
Allison Fence Co. Inc.	Child Care Resources Inc.	Graphic Taphic	North American Lawn & Landscape	Superior Mechanical Systems Inc.
ALSCO	Christian Montessori School at Lake Norman	Greer & Walker LLP	The North Highland Company	Supreme Flooring Inc.
American Audio-Video	Clickcom	Greif, Inc.	NouvEON Technology Partners Inc.	SYGMA Network Inc.
American Circuits, Inc.	Coastal Carolina Pumping	GVA Lat Purser & Associates Inc.	Novella PR	Sylvania Lighting Services
American Community Bank	Coastal Mortgage Services Inc.	Harper Corp. of America	NPower Charlotte Region Inc.	Symcor Inc.
American Products Distributors Inc.	Coastal Technology Group	Hart & Hickman	Nucor Corp. (H Q)	Taste of Havana
American Wholesale Insurance Group Inc.	Coca-Cola Bottling Co. Consolidated	Hart Corp	Odell Associates	TC Clerical Services Inc.
Anderson LeNeave & Co.	Cognis Corporation	Hawkeye FFwd	OEM	Tech Power Group LLC
AOS-USA	Cognition	HDR Engineering Inc.	Okuma America Corp.	Ted A. Greve & Associates
APICS	Coldwell Banker United Realtors	Hickory Grove Baptist Church	Omega Communications	TENAX USA, LLC
Arbor E & T	Colejenes & Stone, PA	HighReach Learning	OMITT	Tesa Tape, Inc.
ARCADIS	College Guidance & Life Planning Services	Himrichs Flanagan Financial	Oracle Corp.	Textile Rubber & Chemical Co Inc.
Arjobex America Mill	Colliers Pinkard	Hipri Internet Marketing Training	Orthofix Inc.	Thunder Road Brandworks Inc.
Arkon Floor Care	Comfort Systems USA	Holiday Inn Center City	Park Place Limousine Inc.	Thyssen Krupp Elevator
Armstrong Relocation	Compuware Corp.	HoneyBaked Ham Co.	Parker , Poe, Adams, & Bernstein	TIAA-CREF
ASC Construction Equipment USA	Concentrix Music and Sound Design	Horack Talley Pharr & Lowndes, PA	Parsons Commercial Technology Group	Time Warner Cable
Assembly Systems, LLC	Concrete Supply Co.	Horizon Lines	PBS&J	Timeplanner Calendars, Inc.
AT&T Inc.	Conestoga-Rover & Associates Inc.	HRG North America	Peak10, Inc.	Torrence Document Services
Atlantic Packaging	The Contractor Yard	Hubbell Consulting LLC	Percival McGuire Commerical Real Estate	Trinity Partners Management LLC
Autobell Car Wash, Inc. (HQ)	Corder Philips	Hynes Inc.	Perfecting Coupling Co.	Tropical Nut & Fruit
Auto-Owners Insurance Co.	CORESTAFF Services	i3Realty	Philip Morris USA Inc.	Two Men & A Truck
AXA Advisors LLC	Corporate Benefit Advisors Inc.	IBM Corp.	Pinnacle Fund Administration	Ty Boyd Executive Learning Systems
Baker Communications	Costco Wholesale	In 2 Furniture	The Platt Network	Tyler 2 Construction Company
Baker Residential LLC	Covington Detroit Diesel-Allison	Ingersoll-Rand Co.	Portraitefx	U. S. Cotton, LLC
Balfour Beatty Construction	Crescent Resources LLC	Intercon Building Corporation	Praxair Surface Technologies	Ultimate Staffing Services
Bank of America	Crosland, Inc.	IPV Inc (Integrity Performance Value)	Precision Steel Warehouse Inc.	UNC Charlotte
Barloworld USA	Crown Lift Trucks	Janney Montgomery Scott LLC	Premier Inc.	United Air Filter Co.
Barnhardt Manufacturing Co.	Croydon Corporation	Jefferson Wells International Inc.	Pre-Paid Legal Independent Associates	United Families Services
Barrday Corp.	Curtis Screw Co., LLC, Premier Precision Plt.	Johnson & Wales University	Presbyterian Hospital/Healthcare	United Way of Central Carolinas
BASF Corporation	D.F.G. Interiors	Johnson C. Smith University	Queen City Appliance and TV	University Child Development Center Inc.
Basics Plus Office Products Inc.	Daniel, Ratliff & Company	JOMA Arts & Consulting, LLC	Queens University of Charlotte	University Park Baptist Church
Bayada Nurses	Darling Creative Group	Jordan Jones & Goulding	R R Donnelley & Sons Company	The UPS Store
BDO Seidman, LLP	Day & Zimmermann	Kee Auto Top	R.A. Cutting Tax Service	US Airways
Beacon Partners	Day & Zimmermann Security Services	The Keith Corp.	The Ray Company	US GreenFiber LLC
Belk, Inc.	Dechert LLP	Keller Technology	Raycom Sports	Vanguard Group Inc.
Blue Cross & Blue Shield of NC	Design Centers International LLC	Keller Williams Realty	RDH Consultants	Ventura Homes
Blue Point Capital Partners	DeZinZ Creative	Kellogg's Snacks-Charlotte	Record Storage Systems	Victory Lane Indoor Karting
Blumenthal Performing Arts Center	Diamond Springs	Kendall Morgan Partners	Reep Machine Co., Inc.	Village Tavern
Bobst Group USA Incorporation	Discovery Place Inc.	The Keys of Carolina	The Regus Group	Vintage Pharmaceuticals, Inc.
Bonded Logistics Inc.	DMG Charlotte, Inc.	Keystone Partners	Rhein/Medall Communities	Volvo & GMC Truck Center of Carolina
Bovis Lend Lease, Inc.	Drake Financial LLC	Kiradjieff & Goode Inc.	Right Management	Vulcan Materials Co.
Branch Banking & Trust Co.	The Drakeford Company	Knight Transportation	RJ Leeper Co. Inc.	RolloverSystems Inc.
BrightStar Healthcare	Drake Precision Dental Lab	Knowmad Technologies	Rohm & Haas Inc.	Wachovia Capital Partners Inc.
BSN-Medical	Duke Energy Corp.	The Knox Group Inc.	Ronald Blue & Co LLC	Wachovia Corporation
BTS International, LLC	Dwyer Solutions	Koll Development Company	RT Dooley Construction Co.	Wal-Mart
The Budd Group	East Coast Metal Distributors Inc.	KPMG LLP	Rubbermaid Foodservice Products	Ward Tank & Heat Exchanger
The Butler Works	Eastonsweb Multimedia	Label Services	Ruddick Corp.	WBT-AM Radio 1110 News Talk Radio
Burke Communications	Easy Movers	Lake Architectural	Rudolph Accounting Services	WebsiteBiz Inc.
Business Capital Group	Electric Power Research Institute	Lash Group	Ruff Bond Cobb Wade and Bethune	Wireless Toyz (Solaka Inc.)
Business Control Systems LP	Ellison Clary Comprehensive PR	Layman Plastics Corp.	Ryerson Inc.	Women's Automotive Solutions
Cadwalader Wickersham & Taft LLP	Elm Engineering Inc.	Lee Institute	S & ME, Inc.	Wynndham Capital Mortgage
Canine Cafe	Environamics, Inc.	Lendingtree Inc.	Saurer Inc.	Xerox Corp.
Carustar Industries Inc.	Environmental Holding Group, LLC (EHG)	Levine Jewish Community Center	Savino Del Bene USA, Inc.	Yarborough Transfer
Cardinal Solution Group	Eola Capital LLC	Lincoln Harris	ScentAir Technologies Inc.	YMCA of Greater Charlotte
Carmel Foot Specialists PA	Episode XI Studios, LLC	Link Staffing Services	Scholz and Associates, Inc.	Zapata Engineering
Carmen! Carmen! Salon & Spa	Ernst & Young LLP	Little Diversified Architectural Consultants	SCORE	Zenith Insurance Co.
Carolina Business Technologies, Inc.	E-Z Parking	Livingston & Haven Inc.	Scottish Re	
Carolina Digestive Health Associates, PA	EZ-TDXX	Loeffler Ketchum Mountjoy Lowers	Sean Busher Photography	
Carolina Insurance & Financial Services	First League	Luquire George Andrews Inc.	SellEthics Marketing Group Inc.	
Carolina Office Solutions	Fabrication Assocs., Inc.	Lyerly Agency Inc.	Sem Products Inc.	
Carolina Place Mall	FDY, Inc.	Mack Truck Sales of Charlotte Inc.	Sencera	
Carolina Tractor & Equipment	FedEx Kinko's	Main Event	Senior Villages	
Carolina Veterinary Specialists	Filevault USA	Mallard Creek Polymers, Inc.	Shad's Landing	
Carolinas Healthcare System	Financial Network Investment Corp.	Marsh USA Inc.	Shaw Energy Delivery Services	
Carousel Capital Company		Matta, Inc.	Shred-it Charlotte	
Carrier Corp.		McColl School of Business	Siegling America, LLC	
CBIZ Inc.		McGrann Paper Corporation	Signature Healthcare	
CCL Label, Inc.			SIM USA Inc.	
			Smith & Christensen LLP	