

# 2009 Strategic Operating Plan

**jobs**  
**promote** **base** **increase**  
**retain**  
**workforce** **environmental** **development** **competitive** **quality** **encourage**  
**prosperous**  
**entrepreneurship**  
**growth** **stewardship**  
**economic**  
**livable**  
**tax**



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**I. EXECUTIVE SUMMARY**

**INTRODUCTION**

The Economic Development Office (EDO) works within the City Manager’s Office to provide leadership and structure to the City’s overall economic development objectives. EDO, through partnerships and strategic framework, works to increase the tax base, retain jobs, and increase prosperity, particularly in the City’s five priority distressed corridors.

The Economic Development Strategic Framework provides a master plan to continue its work in FY09 with action plans including:

- Business Corridor Revitalization Strategic Plan to encourage land development opportunities for transit corridor and business corridor development
- Business expansion and retention efforts through *BusinessFirst* Charlotte: a partner program with the Charlotte Chamber aimed at resolving business issues for the City, with a focus on business corridors.
- Increase the tax base and investment in the priority geography and transit station corridors.
- Grow the hospitality industry by increasing tax revenues and promoting events.
- A Small Business Enterprise program to provide small business participation in City contracting and procurement opportunities.

## SUMMARY OF RESOURCE NEEDS

	FY07 Actual	FY08 Actual	FY09 Request	FY09 Final
<b>Budget</b>	\$2,055,852	\$2,462,266	\$2,510,596	\$2,692,684*
<b>Funded Positions</b>	22	24	24	24

\* MPC 7/22/08

## ECONOMIC DEVELOPMENT VISION / MISSION

### **Vision:**

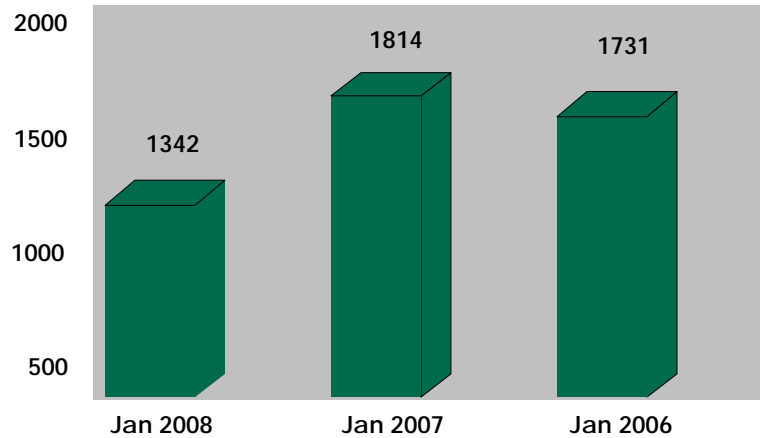
- Charlotte will be the most **prosperous** and **livable** city for all citizens through quality economic development.

### **Mission:**

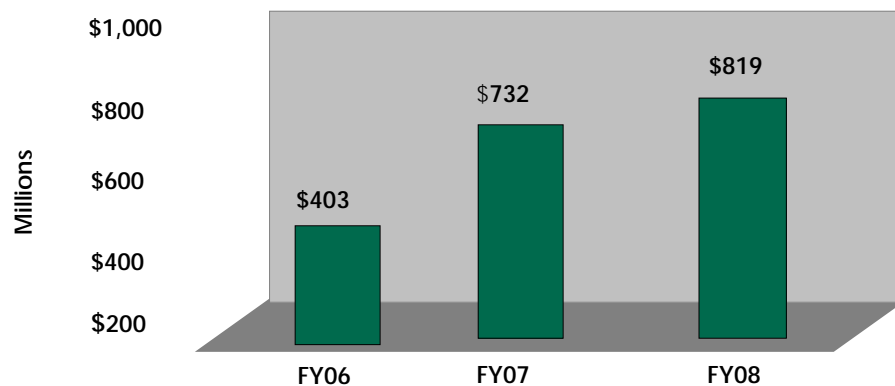
- To **sustain prosperity** and assure **economic opportunity** for all residents and neighborhoods.
- To **retain jobs** and **increase the tax base** in Charlotte, especially in areas of market transition.
- To develop a **skilled and competitive workforce** that meets the needs of the Charlotte business community.
- To **encourage entrepreneurship** and promote the growth and sustainability of small businesses.
- To balance **environmental stewardship** with **economic growth**.

## KEY ISSUES AND CHALLENGES

### City of Charlotte Building Permits Issued



### Building Permit Value of Construction: Center City, Business Corridor Revitalization Geography, 1/2 mile of S. Corridor Transit Stations



The current economic conditions pose significant challenges in EDO's effort to implement its strategic framework. As the nation's overall economic health deteriorates, Charlotte continues to hold strong; but has experienced the impact of the slowing national economy.

Building permits issued, an indicator of economic activity, declined by 474 permits in January 2008 when compared to the same period in 2007. However, the value of these permits has increased by \$87 million to **\$819 million within the ED geography.**

Additionally, the **value of taxable real property** for Mecklenburg County **has increased by \$1.735 billion.**

## RECENT ACCOLADES

#1 Best Place to Live; *Relocate-America.com*, May 2008.

#1 Best City for Black Families; *BET Magazine*, February 2008.

#1 Most Educated Workforce; Business Facilities; *The Location Advisors*, July 2007.

#1 Top Large Counties for Recruitment & Attraction; *Expansion Management*, June 2007.

#2 Economic Strength Ranking; *Policom Corporation*, July 2007.

#4 Americas Best Jobs in the Hottest Markets; *Business 2.0*, October 2007.

#4 America's Best Housing Markets; *Forbes*, August 2007.

#4 Best Walking Cities of 2007; *American Podiatric Medical Association*, April 2007.

#5 North American Cities of the Future; *FDIM Magazine*, April 2007.

#5 Best Large City for Doing Business; *Inc. Magazine*, July 2008

#7 America's Most Wired Cities; *Forbes*, January 2008.

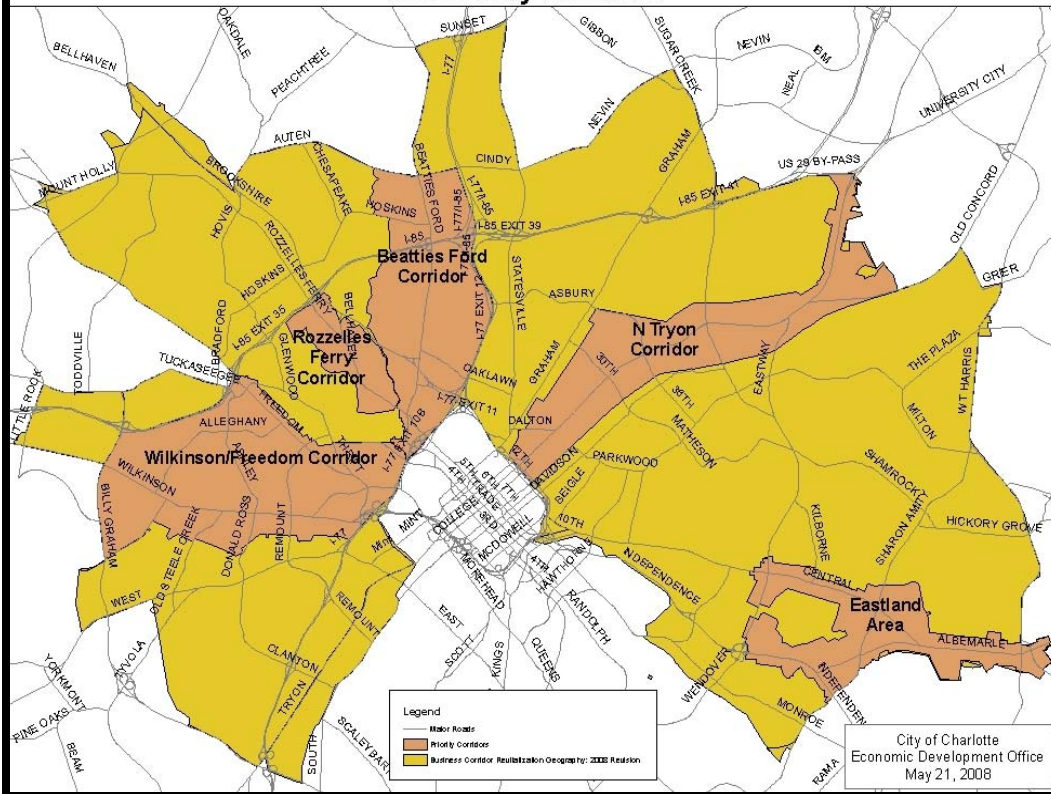
### Business Corridor Revitalization

The Business Corridor Revitalization Strategic Plan provides geographic focus and a framework for placing City investments in five priority business corridors. The five priority corridors are:

- Wilkinson/Freedom/Morehead/Bryant Park
- Eastland Mall area
- North Tryon
- Beatties Ford Road
- Rozzelles Ferry Road

Staff will focus on promoting infill development/redevelopment by attracting private investments into priority corridors to expand job and business opportunities, expand the tax base, support transit oriented development, and to revitalize adjacent neighborhoods for improvement as measured by the City's Quality of Life study.

**Business Corridor Revitalization Geography (2008 Revision) and Priority Corridors**



### Business Corridor Program Development and Implementation

- We will be working with a consultant in FY09 to develop a drill-down market study to determine the true market potential in the priority business corridors.
  - Results will be shared with potential investors and corridor business organizations to use for marketing and recruitment purposes.
- The EDO will market our revised financial programs to corridor businesses, including:
  - Façade Grant
  - Security Grant
  - Business District Organization Program
  - Brownfield Assessment Grant
  - Business Equity Loan
- Staff will develop a financial incentive program for green development in the corridors

***Wilkinson/Freedom/Morehead/Bryant Park***

Capitalizing on the success of Freedom Mall's renovations and reuse, EDO will further identify opportunities for redevelopment for adjacent vacant big box sites. Staff is actively seeking tenants for Bryant Park as a new connector road to Morehead is developed and infrastructure to support the development of Wesley Village, redevelopment of Westgate apartments, and the completion of the new Charlotte Law School moves forward. The Wilkinson Park Business Center has completed land sales with Restaurant Depot and has its last remaining parcel under contract. Staff is also assisting the Freedom Drive Development Association with a branding initiative for its corridor.



***Eastland Mall Area***

The City has obtained options for the vacant Belk and the soon-to-close Dillard's store. Moving forward, the City will work toward securing a public/private development partner, engaging the community and resolving the issues surrounding the existing debt structure.

The City is also working with Wal-Mart for redevelopment of the vacant Amity Gardens site which could create a retail center to replace the vacant Coliseum Shopping Center. The project is challenged by environmental issues.

The City has hired consultants BAE to complete an economic impact study on the Charlotte Streetcar Project by November 2008. The proposed alignment will create economic development opportunities for business corridors from Beatties Ford Road, through Uptown to the Eastland area. The goal of the economic impact study is to identify and quantify economic opportunity along the proposed line to fund construction.

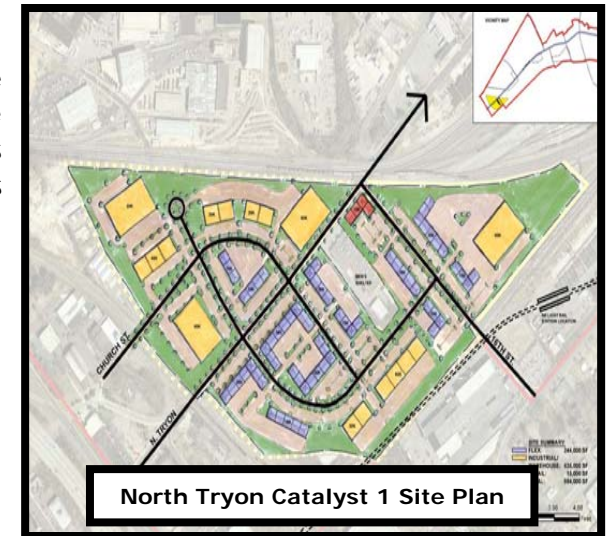
EDO staff is working on an interdepartmental team to solicit feedback and direction from a stakeholder group regarding the future land use of Independence Boulevard. We will be convening the stakeholder group, working with the consultant team and presenting a plan to the community for further refinement that we can take to Council. In addition, we are exploring ideas to help mitigate the Independence Boulevard widening on existing businesses.

### ***North Tryon***

With the City's implementation of the North Tryon Corridor Study, ED staff will be marketing the corridor to attract new, viable businesses and investment into the area. Identified catalyst sites will be areas of focus for trying to place new business and promote the redevelopment of the corridor as a whole. In addition EDO is working with Norfolk Southern to option and redevelop the Parkwood Intermodal site and other rail properties impacting the corridor.

**"Charlotte's economic success is a result of encouraging higher density development along the light rail corridor and the City's recent steps to promote development in neglected areas that connect to the Center City".**

— Bill Hudnut, Sr. Fellow, Urban Land Institute



### ***Beatties Ford Road***

City staff is working with partners in the corridor to establish a business organization which could utilize the Business District Organization Program funds. The corridor currently has several organizations, but none which qualify for the funding. Staff also will be assisting potential businesses relocate in the corridor adjacent to the new Metro Police station as well as looking for other redevelopment opportunities on this corridor.

### ***Rozzelles Ferry Road***

Staff is working with CMDC to attract businesses to the Greenway Business Center. The EDO is also partnering with the Workforce Development Board and the CMDC during development of the park to explore training opportunities for 125 new job opportunities.

### ***Transit Oriented Development***

**Streetcar Connection:** The City Council has directed City staff to evaluate alternatives to funding the streetcar system in advance of the 2030 timetable. Staff will make recommendations for financing structures, including the potential economic impact of a streetcar. Staff has selected BAE Consulting to perform this analysis and is working with the consultant team to bring back recommended options.

**Parkwood Intermodal/Norfolk Southern:** The City is working to option 33 acres of land proximate to Center City currently used as a Norfolk Southern rail-based intermodal yard and lies along the proposed Blue Line Extension (BLE) alignment. ED staff will engage consultants to perform Phase 1 and Phase 2 site analysis; determine the market potential of the site; engage with CATS to fully understand the impacts of the BLE alignment, and negotiate options and sales terms with the current owners.

**Business Expansion and Retention**

Despite the instability in the finance industry, Charlotte performed well during Second Quarter, 2008. Charlotte has added new firms, new investments, and business square-footage. Second Quarter 2008 resulted in very positive business expansion numbers, all categories aside from employment surmounting those from last year. A total of 330 new or expanding firms resulted in 3,327 new jobs. **Investment totaled \$476 million**, giving way to total of more than **10.4 million square feet of new space**.<sup>3</sup>

Year	Firms	Employment	Square Feet (millions)	Investment (millions)
2008	612	6,343	16.6	\$1,533.5
2007	590	6,569	13.8	\$1,094.9
2006	464	5,365	9.7	\$1,669.3
2005	547	6,697	8.7	\$ 922.4
2004	519	5,396	13.3	\$ 516.2

Charlotte Chamber New Release. "Charlotte-Mecklenburg New and Expanded Business Second Quarter Report". Published July 15, 2008.

The EDO staff will continue its business retention efforts through BusinessFirst Charlotte, a partner program with the Charlotte Chamber, in which we make personal visits to businesses to determine their overall health and whether they are experiencing any barriers to growth and how we can help overcome those barriers. In FY09 BusinessFirst Charlotte will conduct 450 visits; 125 of which will be with businesses on our business corridors.

**Mayor's Youth Employment Program**

The Mayor's Youth Employment Program (MYEP) continues to find ways to place at-risk youth into career-focused summer employment opportunities. While placement fell short of the FY08 target due to the overall economic downturn, MYEP has expanded opportunities by partnering with Goodwill Industries to create a Youth Job Connection realizing a **199% increase in job placement** from FY07 to FY08. Staff will evaluate the partnership with Goodwill and make a recommendation regarding program expansion within the \$200,000 budget allotted by Council.



MAYOR'S YOUTH EMPLOYMENT PROGRAM





### ***Employee Development***

EDO has created several activities to promote education and team building among staff.

- An EDO book club provides a forum for reading and discussing a business/leadership publication in a retreat setting.
- A Passport program creates an opportunity for staff to spend time and understand the roles of each other with their co-coworkers,
- Implement strategies developed in our FY08 team building workshop including:
  - Communication
  - Healthy Dialogue
  - Accountability
  - Respect
  - Teamwork
- Survey staff on progress of creating an intentional culture
- EDO will participate in quarterly wellness events

### ***Small Business Participation***

The Small Business Opportunity Program will continue to promote the use of Small Business Enterprises (SBE) in City procurement. We are continuing our initiative to add greater value to SBE Certification. Staff plans to fully engage our partners at Central Piedmont Community College, the Charlotte Chamber, and local associations such as the Metrolina Minority Contractors Association to assist with this effort.

The Enhancing Developing and Growing Enterprise (EDGE) series will focus on providing development opportunities for SBE's. Programs offered will range from basic entrepreneurial courses to industry specific seminars to fully develop SBE participants. Other initiatives include sponsored discounts at area professional organizations; restructuring the Mentor Protégé program; and a new association with Project Intern, which will connect SBE's will low cost business services through college interns in the Charlotte MSA.

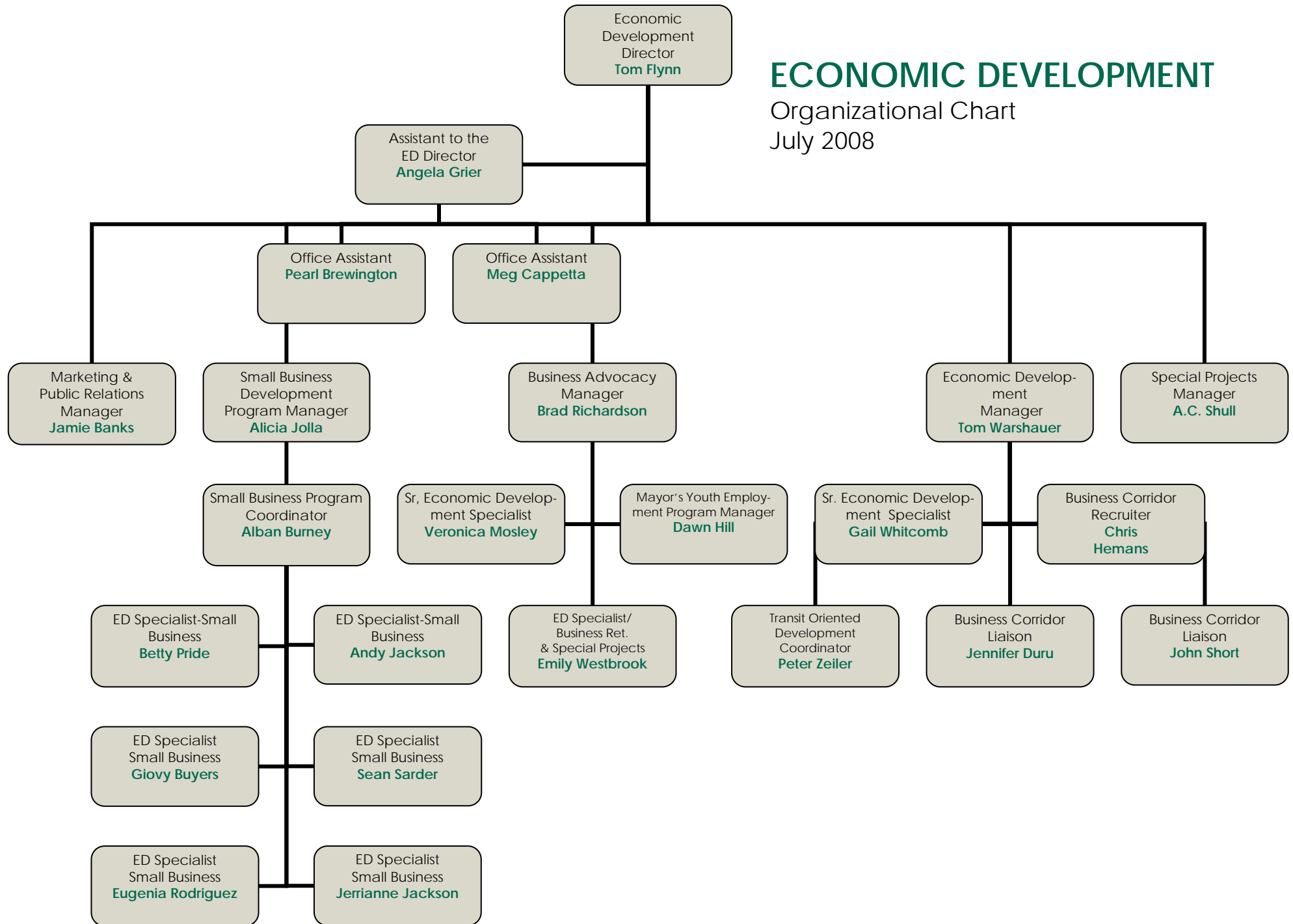
EDO staff continues to collaborate with the operating committee of the SBE Loan Fund, comprised of fund investors, to amend the fund to increase utilization.

### ***Workforce Development***

The Workforce Development Board (WDB) provides policy, planning, and oversight for local workforce development programs. The Economic Development office works with the WDB to target training in the following business clusters: medical, transportation/distribution, financial services, and manufacturing. In FY09 we will be working with WDB on a branding initiative to increase WDB name recognition and program utilization; and a pilot program to extend the incumbent worker training grants to businesses in the priority business corridors.

# ECONOMIC DEVELOPMENT

Organizational Chart  
July 2008



**ACCOMPLISHMENTS**

***Business Corridor Revitalization***

All staff positions have been filled for implementation of the Business Corridor Revitalization Strategic Plan. Staff will assist with permitting and zoning actions and continue to focus on attracting private investment and solving barriers to growth in five priority corridors, including:

- Wilkinson/Freedom/Morehead  
**Projects: Established public/private partnerships with three developers for projects, including: Bryant Park, Wesley Village and Radiator Specialty.**
- Eastland Mall Area  
**Projects: City has optioned two parcels of the mall site and is working on attracting private sector partners. Began Phase II of Independence Land Use Study.**
- Rozzelles Ferry Road  
**Projects: Provided corridor financing to purchase land and approved development agreement with CMDC for development of Greenway Business Center.**
- North Tryon  
**Projects: Study completed and catalyst sites identified.**

Project	Project Investment	City Investment
North End Square	\$13.6M	\$750,000
Belvedere	\$4.1M	\$950,000
Double Oaks	\$71M	\$8.6M
Wesley Village	\$70M	\$1.3M
Radiator Specialty	\$170M	\$3.2M
Bryant Park Residential	\$116M	\$350,000
Scaleybark	\$250M	\$4.8M
<b>TOTAL</b>	<b>\$695M</b>	<b>\$19.9M</b>

The amount of private investment leveraged through the EDO’s Business Corridor and Transit Corridor programs in conjunction with public/private/non profit partnerships realized **\$695 million** for projects, including Double Oaks (Statesville Avenue), Radiator Specialty (Wilkinson Boulevard), and Scaleybark (South Corridor).

***Business Corridor Symposium***

In June 2008, a Business Corridor Symposium was held to raise awareness of the Business Corridor Revitalization Strategic Plan and increase private participation in the corridors. The successful event was attended by

200+ participants. The keynote speaker for the symposium was Bill Hudnut, former Mayor of Indianapolis and a senior fellow for the Urban Land Institute. More than 100 of the attendees expressed interest in becoming more involved in the City’s business corridors and 32 expressed interest in investing in a corridor project.

***Transit Corridor and Business District Revitalization***

Through our work in the transit corridor and with dedicated staff working on transit oriented development (TOD), there is currently **\$295 million of TOD** investment in the South Corridor. In addition, we are estimating another **\$1.5 billion in private development** through 2011.

### Serve the Customer:

We are working to improve the quality of life for the citizens of Charlotte. We promote economic opportunity by assisting redevelopment in our fragile and threatened neighborhoods with provide needed jobs and services. We also help safeguard the environment by creating a green-building incentive program. Through Small Business Opportunity, we work to increase opportunities for small businesses to participate in City contracts and to meet the training, technology and capital needs of all small business owners. Finally, we administer the Business Retention & Growth (BusinessFirst Charlotte) program to meet the needs of existing businesses, while we work with partners to attract new business to the area. We will focus on enhancing customer service by creating a consistent marketing strategy to help inform our internal and external partners about our services and programs.

### Run the Business:

With a limited staff and a mandate to use City dollars wisely, we are most effective when we work with partners to accomplish our mission. Developing collaborative solutions is a hallmark of our organization, and we rely on frequent interaction and clear communication with our industry partners to move forward. We work with the Charlotte Chamber, the Charlotte Regional Partnership, and Charlotte Mecklenburg Development Corporation, and a host of business corridor and neighborhood groups to address the needs of the business community. We utilize working groups such as the Business Advisory Committee, the ED Cabinet and the ED Work Team to provide valuable feedback and insight on key developing issues. We work with the Charlotte Regional Visitors Authority to increase tourist spending in the community

### LINKS TO CORPORATE STRATEGY

Economic Development is committed to providing services consistent with the City's corporate strategy

### Manage Resources:

We have an important role to play in expanding the tax base by guiding the City through partnerships with the private sector that lead to major re-investment and redevelopment projects. We are increasingly focused on facilitating and coordinating private development along the City's five priority business corridors and transit corridors throughout the City.

### Develop Employees:

We will accomplish our objectives if we effectively develop our employees and engage them in meaningful work. We aim to achieve a positive working environment where employees feel valued and empowered. This will create a culture that promotes learning and growth by providing opportunities for our employees to broaden their knowledge of economic development

## **STRATEGIC INITIATIVES**

### **Promote Economic Opportunity**

- Promote a healthy business climate by implementing a strong business expansion and retention effort
- Ensure small businesses have the opportunity to participate in informal City procurement and contracts and projects with significant public investment
- Implement the City's Strategic Economic Development Framework
- Encourage transit and non transit Business Corridor development

### **Develop Collaborative Solutions**

- Work with internal and external partners to grow Charlotte's hospitality industry
- Work with the City's Economic Development partners to market Charlotte
- Develop initiatives in collaboration with the Charlotte Chamber and CPCC to respond to small business needs

### **Enhance Customer Service**

- Market Economic Development and its programs effectively to internal and external customers

### **Optimize the Business Process**

- Develop metrics for success for priority business corridors

### **Expand the Tax Base & Revenues**

- Promote infill redevelopment in the Center City, distressed business districts, neighborhoods, and transit stations

### **Promote Learning & Growth**

- Develop employees through education and team building exercises

## **III. SERVICE DELIVERY**

### **CORE SERVICE AREAS**

Economic Development supports the Corporate Objectives of the City of Charlotte by providing services out of four core service areas:

**1 – Business Attraction & Retention** Administers the BusinessFirst Charlotte program, a tool that can be used to connect businesses to needed services through a visitation program which calls on 400 businesses and refers issues to the City or its partners. The EDO staff is targeting 175 visits, with the remaining coming from the Charlotte Chamber, the City's partner.

**2 – Small Business Opportunity** Administers the City's Small Business Opportunity Program, which is designed to enhance competition in City contracting and procurement and to promote the growth and development of small businesses. Key components include: increasing small business utilization in City contracting; monitoring small business participation and contract compliance; and linking small businesses to needed resources. It promotes existing small business growth and profitability, as well as new small business start-ups and development through various partnerships including, the Small Business Enterprise (SBE) Loan Fund, the Business Equity Fund and various training and technical assistance programs.

### 3 – Transit/Business Corridor Revitalization

Administers the City’s Business Corridor Assistance Programs that provide matching grants for physical improvements to eligible business owners in order to decrease urban blight and increase the perception of safety. Each year, approximately 10 businesses receive funds to offset the cost of facade renovations, security improvements, and required infrastructure improvements such as sidewalks, curb and gutter, and landscaping. Property owners redeveloping Brownfield's, or environmentally contaminated parcels, are also eligible for grants. Encourages high density mixed use development along existing and proposed mass transit alignments. ED works collaboratively with other city departments to ensure future transit corridors are designed to provide maximum transit supportive development potential.



### 4 – Redevelopment Resources

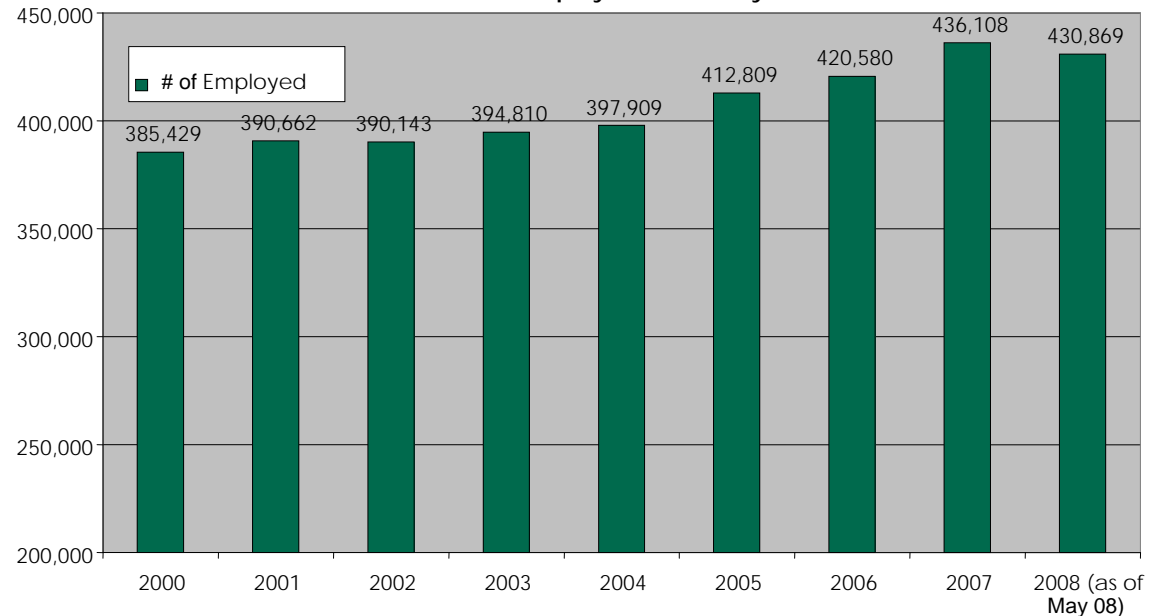
- Business Corridor Revitalization Fund
- Synthetic TIF financing
- Eastland Mall Infrastructure Capital Funds
- Smart Growth Funds
- Federal grants (EDI & SBA)
- Charlotte Mecklenburg Development Corporation (CMDC)
- Business District Organization Program
- Municipal Service Districts

### 5 – Workforce Development

The Economic Development Office acts as the fiscal agent for workforce development fund. The Charlotte-Mecklenburg Workforce Development Board (WDB) functions as the program operator. The WDB plays a major role in developing a workforce system that meets the needs of citizens and businesses in the workforce. Through our partnership with the WDB and partnering agencies we coordinate efforts to develop and maintain a skilled workforce.

### Total Employment in Mecklenburg

Source: NC Employment Security Commis-



jobs  
promote base  
retain competi  
workforce pros  
environmental  
development  
entrepr  
growth

## IV. CONCLUSION

This year will be remembered as one in which the national economy suffered. Rising gas prices, declining housing values, higher unemployment rates, and increased foreclosure rates have plagued the nation. Charlotte has experienced an economic downturn in the banking and airline business, and a slowing of the real estate development market. Due to tightening of credit markets and the abundance of residential inventory. However, to date Charlotte has not been hit as hard as the rest of the country and is continuing to grow and prosper. The Charlotte Chamber is projecting a slight rebound during the second half of 2008.

The Economic Development Office has made significant gains during the first year of implementing the Business Corridor Revitalization Strategic Plan. Expansion of the tax base within ED targeted geography continues to increase (\$819 million in 2008 vs. \$732 million in 2007). Most of the increase is due to the South Corridor and Center City redevelopment, and new Business Corridor projects (Bryant Park, Greenway Business Park, and Scaleybark Station area).

Given the current economy, we will need to be flexible and creative in continuing to revitalize the business corridors. We will look for additional partnerships to leverage public investment as well as continually evaluate assistance programs to ensure effectiveness and utilization.

As we continue to implement our strategic framework, we are especially aware of the need for public input and open communication with the community. We will concentrate our efforts in these areas as we move forward in FY09 with the goal of being the most responsive, informative and collaborative division in the City.

**BUSINESS**

**OPPORTUNITY • INVESTMENT • GROWTH**

A word cloud featuring various terms related to economic and social development. The words are arranged in different orientations and sizes, with some being more prominent than others. The terms include:

- jobs
- promote
- base
- increase
- retain
- competitive
- quality
- prosperous
- entrepreneurship
- growth
- stewardship
- economic
- livable
- tax
- workforce
- environmental
- development
- encourage