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WRAP-UP EDITION

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The Driving Force: Charlotte's State of Economic Development Bob Morgan, Charlotte Chamber of Commerce

Bob Morgan, President of the Charlotte Chamber of Commerce, kicked off day two of the 2014 Leadership Expedition with an overview of Charlotte and its progress over the years. Morgan reported that over the last 50 years, Charlotte has grown by about 2.5-percent annually. In the first decade of the new century, that growth jumped up to over 3-percent, making it one of the fastest-growing metropolitan areas in the United States.



Mr. Morgan cited three sources that are contributing to the city's population growth. First, people are moving from the Northeast and Midwest to the Carolinas because of its geographic position on the East Coast. Secondly, young graduates are finding good job opportunities, and finally, people he called "halfbacks," or those who moved to Florida, decided they didn't like it, and never made it all the way back to the North.

The area has a very diverse population, and Morgan mentioned that African-Americans are starting to move back to the South again. He said that Charlotte expects the diversity of its population numbers to continue. "For us as a chamber of commerce, we spend a lot of time talking about and delivering on diversity and inclusiveness programming, because we believe that if we don't relate to and understand the growing diversity in our population, we're not going to be relevant at some point," he said.

In 1998, Charlotte passed a half-cent sales tax for transit that has helped to build a nine mile stretch of light rail from the central

business district to the south. There's a billion dollar extension of the system under construction to UNC-Charlotte, which is to the Northeast of the central business district. The half-cent sales tax is not going to be enough to finish building it out, so officials are trying to figure out other ways to help fund it.

Morgan also noted that Charlotte was one of the first communities in North America to combine transit with land use planning. "It wasn't just, 'let's build a rail line. It was also let's put in place the transit-oriented development planning and zoning policies that will encourage development and the tax base to occur along those corridors,'" he added.

So, why do people want to live in Charlotte? Morgan said it is because of the well skilled and diverse population, lower cost of living, and easy access to and from Charlotte's airport, which boasts 52 daily direct flights to New York.

Historically, higher education has not been a big driver of the economy around Charlotte, but Morgan noted UNC-Charlotte's vast potential with about 25,000 students. It is younger by university standards, and has only been around since the 1960's and has only been granting Ph.D.'s for the last ten years.

Charlotte boasts the second-largest banking center in the country, but it is not the area's largest employment sector. There are about 55,000 jobs in banking, but there are 90,000 people employed in healthcare.

Over the years, Charlotte's downtown area (city center) has been transformed into a place that people want to live. There are some 15,000-plus people living in the downtown, and many are young people who don't want to live in the suburbs. With so much activity, venues, and sporting events, the downtown has become much safer at night than it was 20 or 30 years ago.

Watch Bob Morgan's full remarks on-line at <http://youtu.be/12BDxT9wigY>

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Victory Lane: Why Charlotte?

Theresa Faust, MetLife

Kevin Holland, Chiquita Brands

Kelli Price, Premier Inc.

Moderated by Jeff Edge, Senior Vice President of Economic Development for the Charlotte Chamber of Commerce, this particular session focused on three companies that recently relocated to Charlotte and the process by which company officials made the decision. Panelists included Kevin Holland of Chiquita Brands, Theresa Faust of MetLife, and Kelli Price of Premier Inc.

While each panelist mentioned that incentives were important in their company's decision to relocate, the community in Charlotte really sold itself. All three companies utilized existing space, which substantially cut down on the time it took to get the new offices up and running.

Mr. Holland said that the big drivers for Chiquita's decision to relocate to Charlotte included the airport, labor force, schools and hospitals. They felt it would be easy to attract talented workers to Charlotte. About half of its workforce relocated, after the company provided employees with trips to Charlotte.

According to Ms. Faust, about 250 MetLife employees transferred to the area, while 750 were new hires. MetLife actually had two organizations within its company that were considering cities individually. One ended up in Charlotte, while the other division relocated to Cary, which is just outside of Raleigh.

Meanwhile, Premier Inc. did something risky on the front-end, which was including employees in the relocation process from the beginning. They gave employees a lot of time to consider making the move from San Diego to Charlotte, giving all employees the opportunity to explore Charlotte with their families. This helped the employees feel that their thoughts were valued during the process, and Premier ended up with more

than expected making the move.

All three company representatives indicated that they have been very successful in taking advantage of workforce development services available in the area to attract the kind of labor that each needed for success. Mr. Edge mentioned an organization called Charlotte Works, which works closely with the chamber, and sits down with existing and relocating companies to ensure they are able to find an appropriate path to quality employees.

Ms. Price said that Premier's strong partnerships with schools and colleges in the area have made a huge impact on its hiring process. Meanwhile, Mr. Holland mentioned that Chiquita's use of the university system and its internship programs has been excellent. He also said that the majority of people hired have come from colleges inside North Carolina. Ms. Faust said that MetLife has also been successful with internship programs at the area universities, and recalled that UNC-Charlotte hosted a reception to welcome the company and introduce them to community leaders.

Watch the full Why Charlotte session on-line at <http://youtu.be/q4aZAdpsdA4>

All Systems Go: Education-Business Partnerships

Mary Vickers-Koch, CPCC

Mark Pringle, Siemens Charlotte

During a session moderated by Tim Burcham, Vice President of Kentucky Community and Technical College System (KCTCS), speakers Mary Vickers-Koch of Central Piedmont Community College (CPCC) and Mark Pringle from Siemens Charlotte spoke about partnerships between the education and business communities. Initiatives between CPCC and Siemens were cited as successful examples by President Barack Obama in a recent State of the Union Address.

Mr. Pringle noted that Siemens decided to expand and create an Energy Hub location in Charlotte, investing \$350 million to build a 450,000-square foot facility for full manufacturing and service of steam and gas turbines. It took only 13 months from the groundbreaking to its first shipment in November 2011. It reached full production by April 2012.

Pringle said that for Siemens to make the kind of commitment to Charlotte that would be needed for the new Energy Hub facility, company management needed assurances that they could find the right workforce with the necessary skills. So, Siemens approached Central Piedmont Community College.

Pringle said, "We went to CPCC and talked about what we needed to do. We were very happy to find out that it wasn't,

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‘here’s our course description to fill your need.’ It was more ‘what do you need to fill your workforce,’ and we sat and talked about what we could do to fill that need.”

He said the very first thing Siemens needed was a way to screen applicants for jobs, since they would be receiving thousands of applications. They partnered with CPCC and a local workforce development agency called Charlotte Works to develop training and screening programs through a web-based portal.

Siemens also utilized an existing apprenticeship program, which identified rising high school seniors from the local school system who said they were interested in a different career path than a four-year degree program. Siemens pays the students as they work their way through the program toward earning an Associate’s Degree in Mechatronics.

Since mid-2011, Siemens has added 800 new employees, making its total workforce about 1,600 in the Charlotte area. The facility has the capability to ship 50-plus units annually and has reduced the hours-per-machine rate by 35-percent.

Mary Vickers-Koch said that CPCC is employer-driven, anticipating the skills needed by specific industries. CPCC’s own Skills Initiative includes defining jobs and competencies of the future, building certificates and two-year programs in response, its Apprenticeship Charlotte program with five companies involved currently, and a strong link with the local K-12 system.

Siemens and CPCC have worked together for over a decade. When Siemens recent expansion was announced, the North Carolina Community College System worked with Siemens and CPCC to provide \$4 to \$5 million in customized training funds over five years.

Ms. Vickers-Koch outlined what she called the five critical success factors of the CPCC/Siemens partnership:

1. Developed an understanding of the required workforce competencies by working with Siemens experts.
2. Followed a mutually-developed project plan with milestone dates to reach.
3. Constant communications through weekly meetings with the client.
4. Flexible and responsive training.
5. Use of college resources to provide client service, whether it’s curriculum programs, continuing education programs, records management, procurement, or financial services.

Vickers-Koch said that CPCC is committed to responsiveness toward its industry partners to help them maintain a competitive advantage, programs that are customizable to a specific industry or targeted to an individual’s career goals, and partnerships with business and industry that help create a highly-skilled workforce. “If we can understand what businesses need, then we can develop training programs or curriculum for credit programs to respond to what those businesses need,” added Vickers-Koch.

Watch the full Education/Business Partnerships session on-line at <http://youtu.be/hC-nK2xZIKg>

Timely Topics – Ideas Worth Sharing
Steve Keckeis, Messer Construction
Debra Campbell, City of Charlotte
David Furman, Centro CityWorks

DIVERSITY & INCLUSION:

To kick off our Timely Topics panel, Steve Keckeis, vice president and Charlotte Region Leader for Messer Construction, talked about why diversity and inclusion is not only important to Messer, but also to the community. Mr. Keckeis cited population statistics showing a higher percentage of growth in Mecklenburg County for African Americans, Latinos, and Asian than whites since 2000.

Keckeis said, “People talk about diversity as the right thing to do, but I’m here to tell you that it affects your bottom line. It makes a difference to our communities, where we live every day.”

Keckeis said that the benefits of a diverse community include

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an educated workforce (job creation, growth, and retention), collaboration that results in a stronger supply chain, as well as business and community partnerships, and a quality of place that attracts people to the area.

About three years ago, Mr. Keckeis said he had the opportunity to join the Charlotte Minority Economic Development Initiative, a joint initiative between the Charlotte Chamber of Commerce and the Carolina Supplier Minority Diversity Council (CSMDC). "It's about intentionally celebrating the growth of minority and small businesses in the Charlotte region," added Keckeis.

The focus of the Charlotte Minority Economic Development Initiative is on market compatibility, an inclusive business environment, and economic growth and stability. Keckeis mentioned that it's not just about building business, but developing a succession plan for the business. The result has been an increase in contracts awarded to businesses within the initiative from about \$510,000 in 2011 to \$40 million in 2013-14.

The initiative is now moving into Phase 3, part of which includes adding more companies and an alumni program, since some businesses have been involved for two or three years. They are also looking to figure out how to make it more economically stable, since so many companies are tapped out on funds.

Keckeis concluded by saying, "There's no mobile app for diversity and inclusion. It takes hard work, vision and willingness to change."

TRANSPORTATION/LAND USE INTEGRATION:

Debra Campbell, planning director for the City of Charlotte, talked about how to integrate land use planning and transportation planning. Ms. Campbell began with a quote by Leon Krier (The Architecture of Community), which said, "A city is not an accident, but the result of coherent visions and aims."

Campbell said that great cities are cities of great places. Some of the things she cited within great cities included a wide range of employment opportunities, diversity, housing options to meet various budget levels, great neighborhoods, infrastructure investment, engaged citizens, and more.

"We think what distinguishes us from other communities is our ability to provide mobility choices," said Campbell. "Our city continues to grow, so we have to figure out how to accommodate that growth."

She also noted that a large number of people commute into Mecklenburg County each day for work. More than 153,000 people commute into the county each day, and one in three jobs are held by someone living outside the county. Charlotte's population is expected to grow by almost a half a million people (or 66-



Photo by Mark Turner | CLX Staff

percent) in the next 30 years. "So, it's not if we grow. It's how we grow," she added.

Charlotte's growth framework was developed in the early 1990's and was the basis for transit improvements. Referred to as "Centers, Corridors, and Wedges," the framework is based on five primary transportation and development corridors and focuses on growth in centers and corridors. It also maximizes the use of the transportation system, infrastructure and services and encourages redevelopment and re-use.

Campbell called this plan a marriage between the development vision for the city and the mobility opportunities that the city needs to invest in to achieve that vision.

The city's Transportation Action Plan (TAP) is a 25-year locally-funded comprehensive plan, which not only supports the Centers, Corridors, and Wedges concept, but also describes projects, programs and policies. It was adopted in 2006 and updated in 2011.

Charlotte also has an Urban Street Design Guideline document, a six-step planning and design process for city streets that was adopted by the City Council in 2007. It also contains a revised subdivision ordinance. The document reflects the city's belief in "complete streets," which are safer for vehicles, bikes, and pedestrians.

Campbell stressed that one of the biggest obstacles when the city developed its transit plan in the mid-1980's was that the population wasn't near what it is today, and people felt that they were getting a lifestyle forced on them. The transit strategy was not separate from a roads strategy. They were developed together, and in 1998, voters approved a half-cent sales use tax for public transportation by 58% to 42%. It was since reaffirmed by voters in 2007 by a 70% to 30% margin.

Campbell concluded, "Our transportation and land use integration starts with a vision of who we want to be from a devel-

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opment and growth perspective, and how will we invest in the appropriate infrastructure to support that vision. Our growth framework permeates through all of our transportation policies that we develop.”

DOWNTOWN DEVELOPMENT:

David Furman, Founder of Centro CityWorks, talked about housing in downtown Charlotte, pointing out that often times what people remember about a downtown area is its activity, which is driven by people living downtown. Furman said that Charlotte really benefitted from what he called the “battle of the banks” prior to 2008.

Many years ago, all cities were vibrant, and then the flight to the suburbs took place toward single-family housing, said Furman. That created a bit of isolation, he said, and we’re seeing many people coming back to downtown areas. “There’s a real thirst for community,” he added.

Furman mentioned that the first rejuvenation of downtown took place in Fourth Ward in the late 1970’s and early 1980’s. The banks got together and said if people renovated the homes there, then they had access to a pool of low interest loans.

After that, not much happened until the early to mid-1990’s, when banking legend Hugh McColl realized that in order to build

the best bank in the world, he needed to be able to attract the best talent to the city. He recognized that the city needed to be a place where young folks wanted to live.

One-by-one, Bank of America began to finance a variety of mixed-use and residential buildings that set the tone for a resurgence of the downtown area. Rather than locate in the suburbs, which would have been cheaper and easier to do, Bank of America then decided to build a one million square foot call center right downtown.

Once a new arena was built downtown, a combination of hotels and condos popped up around the arena. Then came more parks and then a baseball stadium in the heart of downtown, where the Charlotte Knights began playing about a month prior to the Leadership Expedition.

“There’s definitely a pulse on the street now that we haven’t felt in the last few years. It’s very exciting for me to be a part of that,” said Furman. “It wouldn’t have happened twenty years ago if that battle of the banks hadn’t given us a jump-start on development as we came back out of the recession.”

Watch the full Timely Topics Panel session on-line at <http://youtu.be/1U1laPC-YY0>

