



# THE DAILY COLLABORATOR

PRESENTING SPONSORS:



## WRAP-UP EDITION

### CHARLOTTE SESSION SUMMARIES | TUESDAY, JUNE 3, 2014

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#### What's Under the Hood? An Objective Perspective Taylor Batten, *The Charlotte Observer*

Taylor Batten, editorial pages editor for *The Charlotte Observer*, kicked off the final day of the 2014 Leadership Expedition in Charlotte. Taylor said he lived in Charlotte at a very early age, before his family moved to nine different cities, settling in Miami for the longest stint. Despite all the moves, Taylor said that he always felt that Charlotte was home, so when he received multiple job offers upon his completion of graduate school, he chose to live and work in Charlotte.



Mr. Batten began by citing a recent survey which found that 90-percent of people in Charlotte would recommend the city to their friends and family as a great place to live. He highlighted six things which Charlotte does well, but in each case, there was a behind-the-scenes concern.

First, Charlotte was built on the success of public-private partnerships, but that model is under a lot of stress, because both the public and private sector are facing pressures that are making it difficult to enter into those types of partnerships. On the private side, the business leaders who shaped and built Charlotte have mostly moved on to other endeavors, and those who have replaced them are not as interested in building the city as their predecessors were. On the public side, Batten said that the city elected officials today are mostly interested in their own district and not the entire city.

Secondly, Batten said that the Charlotte-Mecklenburg County Schools (CMS) are recognized as a model around the country. However, in the same survey mentioned earlier, only 43-percent of re-

spondents gave CMS high marks. "Well over half of the residents have serious concerns about the quality of their school system," said Batten. There are huge achievement gaps in the schools. Batten said they are trying to address it, but it's proven to be a difficult problem to solve. A couple of years ago, about 84-percent of Charlotte's African-American eighth graders are not proficient in math, which "tells me that we still have a really long way to go," added Batten.

He also mentioned a recent study by some researchers at Harvard and Cal-Berkeley, which measured income mobility within 50 metro regions, and Charlotte ranked dead last. That study measured the ability and opportunity of a kid whose parents are in the lowest quintile in income to move to the highest quintile.

Batten pointed out that Charlotte spends a lot of time and attention on what he called "shiny new things." "We're great at building buildings, but they don't do a whole lot to create community, a sense of place, or a soul for Charlotte." Again, the previously mentioned survey noted that half of the respondents said that Charlotte lacked a sense of community.

Charlotte has the LYNX rail line, which runs for about ten miles and is currently being built another nine miles to the north toward UNC-Charlotte. "It's been a big success, with good ridership, but it's fairly limiting," he said. "If you don't live right near the rail line, it's not too relevant to your life." Batten said bus transportation is "underwhelming," and there's nothing connecting other parts of the region. No one is certain how mass transit will be funded going forward, since the half-cent sales tax collected is scheduled to come up well short of what will be needed. Batten said that Charlotte was ranked the worst city for pedestrians, and is not great for cyclists either.

Charlotte has a thriving arts and culture scene, but Batten said that the financial model that helped build it is in a huge state of flux right now. Charlotte used to have very good arts funds, which raised some \$12-\$14 million dollars a year, but that took a huge dip during the recession and has not recovered.

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Finally, Batten said, “The legislature in North Carolina does not like cities. They have been spending a lot of time meddling in things that have traditionally been under local decision-making. We have a lot of clout in the state legislature, but they have continually undercut cities abilities to do what cities are supposed to do.” Batten pointed out that the state tried to take over the Charlotte airport. The state did take over the Asheville airport. “In North Carolina, the state created the cities and has control over the cities, and lately, they have been exerting that control, making things difficult on Charlotte and other cities,” added Mr. Batten.

He concluded by saying that Charlotte has been on a great run over the last 30 years, but times are changing, and Charlotte is facing pressures going forward on a number of fronts. “I would encourage you all to not rest on your laurels,” said Batten. “That’s my concern for Charlotte. If we rest on our laurels, we’re going to be in big trouble, because other cities will eat our lunch.”

**Watch Taylor Batten’s full remarks on-line at**  
<http://youtu.be/h1CCaDmCok4>

## Hugh McColl Former Bank of America Chairman & CEO

Participants of the Leadership Expedition got a pleasant surprise on day three of the trip, when former Bank of America Chairman and CEO Hugh McColl spoke to the group and took questions from the audience. Mr. McColl is widely credited with building the modern-day Charlotte.

Mr. McColl said that when he came to Charlotte in 1959, it was one of the “dullest places that you could imagine.” McColl said that as he travelled around the world to other cities, he recognized that if he was going to build a bank, he was going to need quality employees, which meant Charlotte needed to be a city that could attract people.

McColl said that while Charlotte has changed a lot and has grown a lot since he first arrived in the city, people still say that Charlotte is a great place to raise a family.

He said that one of the first things city officials realized while transforming Charlotte into a city that would attract talented people was that it needed to have cultural amenities for them to enjoy. “It’s all about quality of life,” he added. McColl also mentioned that the addition of more arts venues, performances, and events has caused more young people to move to Charlotte’s center city.

McColl himself is in the process of raising \$45 million to support

the arts in Charlotte for the next decade. He said, “When I’m raising the money, I don’t talk to them about how good the symphony is or how good the ballet is. I talk to them about Charlotte, and why they should support this for Charlotte, so that Charlotte remains the mecca for young people who want jobs and for companies that want to relocate, because that brings wealth for all of us.”

The success of Charlotte today was largely due to the fact that leaders had a plan starting back in the mid-1970’s. “We had a clearly defined plan. If you don’t have a plan, then you’re not going to get there,” added McColl. “Every decision that we took for the next 25 years was based on that plan. We had the combination of an enlightened mayor and two banks that were willing to put their money where their mouth was. We built a coalition of people who believed in the center city.”

McColl said that the churches and faith community played a large role in the transformation of Charlotte. There was an intentional approach behind keeping the old churches in the center city through investing in and subsidizing them. The churches then provided early childhood and daycare opportunities for workers inside the center city, and have been active in helping to develop affordable housing.

With regard to development, McColl said it was important to be intentional about where buildings are located, and not to let money be the driver. For instance, if you have a large building, you want to ensure you place a similar size building next to it. McColl likened Charlotte’s development to dropping a rock in a pond, which creates concentric circles. He said it was important to start in the middle and work your way out.

McColl went on to say that the next generation of leaders will face a lot of problems going forward, and it is the job of younger folks to enhance the cities in which they live. He said that all cities should strive for openness to new ideas and social peace among its citizens.

According to McColl, Charlotte has “the bones in place, but too many of its citizens take it for granted, and they feel like someone else will handle it. Our greatest opportunity right now is we’re extending our light rail system north to the UNC-Charlotte. It will mean phenomenal growth for this city,” he said. He also mentioned that the Mayor needs to engage the public again, and get the people behind what needs done for the future success of Charlotte.

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<http://youtu.be/Uvy7M3sxl3Y>



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## Ready. Set. Go: Overview and Implementation Ron Carlee, Charlotte City Manager

Mr. Carlee said there are **five compelling reasons** why he came to Charlotte. He said, “One of the issues in building a community is understanding where you are and where you’ve been.”

1. Charlotte is a “real city” with a real downtown that is called uptown, real sports, and real arts. The big question for the city regarding the NFL’s Panthers was “do you want a pro team or not?” The Panthers’ owner was getting older and health was becoming an issue. Buyers from California were lining up. “We have the things that make Charlotte a real city, and that was attractive to me.”

2. The business community is “intensely engaged in everything we do in the city,” said Mr. Carlee. “This is the most engaged chamber that I’ve ever worked with and ever seen.” Carlee cited a variety of partnerships from Business Improvement Districts to university-city partnerships around the downtown.

3. Charlotte has an effective business-oriented government, according to Mr. Carlee. The council-manager form of government is not the political form of government that most people are used to. Rather, it is a business form of government where the mayor is the chairman of the board, the council is the board of directors, and “then you hire a CEO to run the company.” Carlee noted that Charlotte has had four mayors in one year, and it was the city’s resilience in its city manager form of government that enabled it to stay strong through the many changes of leadership.

4. Charlotte is a welcoming community, said Carlee. He noted that it seems as if everyone in the city is from somewhere else. “We truly have become a mosaic from a lot of people from a lot of different places.” Carlee also noted the city’s strong faith community, which spills over into creating that welcoming environment. According to Carlee, the city is also very friendly toward the LGBT community, with huge support for the group’s annual parade.

5. Mr. Carlee said that the top thing that lured him to Charlotte was that it is a “city of intent and aspiration. With as many things that are strong and working well in this city, there is a strong sense that Charlotte can do more and be even better, and can get to another stage. That’s where the key question of implementation arises.

Mr. Carlee said there are three areas that are critical in moving forward implementation. “For Charlotte, that vision is truly around **becoming a global community**,” added Carlee. Secondly,



he mentioned that Charlotte needed to develop a **more diverse economy**, and one that is more about entrepreneurs and small business. A large part of the vision revolves around **transportation planning** and the region’s exceptional airport. “Now, we’re trying to go truly multi-modal, and this is the critical decision for cities of the future. We have to be multi-modal, and that means transit.” Carlee talked about the fact that the city’s light rail was not popular when first discussed, but today is embraced by almost everyone.

The three keys across all of those priorities, noted Carlee, include leadership, managing complexities, and managing luck.

Watch Ron Carlee’s remarks on-line at  
<http://youtu.be/B6gAtErLLCc>





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## Leading the Pack: Trends & Insights Mark Beattie, Hickey & Associates, LLC

Mark Beattie, Principal for Hickey & Associates, a full service global site selection and public incentive consulting and management firm, was the final Charlotte speaker during the 2014 Leadership Visit. Mr. Beattie spoke about economic development trends and insights.



Beattie opened by talking about economic outlook in general. He said there is “sustained optimism” through the performance over the last six years. He cited strong corporate revenue growth over the last three years, but stressed that companies are approaching expansion and hiring “with caution.” Companies are continuing to look for partnerships. Beattie also noted the importance of foreign direct investment (FDI) for the future of communities.

According to Beattie, the United States has outpaced every other country for quite some time in inbound foreign direct investment. “By far, other countries are investing in the United States,” said Beattie. “It tells us that companies want to come here and invest in a place that’s secure, sound, and a good financial investment.”

Beattie also said that it’s good that the advantage of producing goods in China versus the United States is diminishing since 2005. That figure has decreased from 51-percent less to only 30-percent less to produce goods in China instead of the U.S.

According to Beattie, the continuing economic development building blocks for economies includes: retaining and expanding a city’s business base; quality workforce; investment potential and financial partnerships; support for entrepreneurs and innovation; and educational partnerships.

Likewise, some areas of strategic opportunity include relationships on the state, regional, and local level, job creation statewide, advanced manufacturing potential, harnessing industry demand for talent, bridging the gap between research and commercialization, developing industry clusters, and global exports/supply chain.

Beattie also said there is great demand for e-commerce

around the world. No matter the size of businesses, e-commerce and technology is helping to drive business, added Beattie. He also said there is a demand for flexibility, low cost and reliable solutions in this area. Some of the changing trends in e-commerce include 3D manufacturing, advanced robotics, and open source connected platforms.

Among the top ten states among economic development and business expansions in 2014 are Texas, Florida, Tennessee, North Carolina, South Carolina, Indiana, Arizona, Nevada, Louisiana, and Georgia. Mr. Beattie said they all have certain factors in common, including pro-business, low taxes, favorable regulatory environment, and moved to become more competitive on a tax basis with their neighbors.

Beattie said that the key site location factors include a skilled workforce, good business climate, customer proximity and growth potential of the market, supply chain/industry clusters, energy costs, infrastructure, quality of life, overall risk, and public incentives. He also stressed that while these factors have not changed much over the years, the importance and weight associated by companies with each one has changed.

Watch Mark Beattie’s full remarks on-line at <http://youtu.be/h9sc4-OKbJ8>

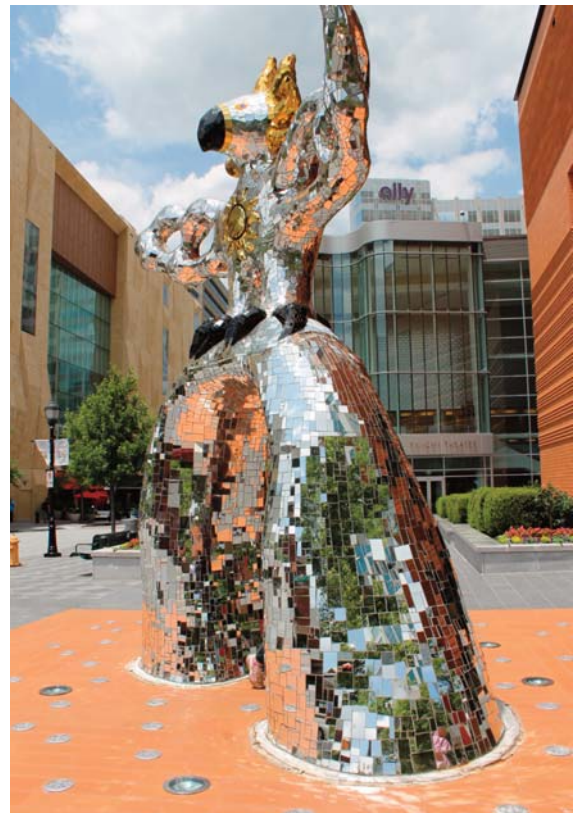


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