

PROSPERITY

FOR GREATER CHARLOTTE



2017-2022



COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



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PROSPERITY FOR GREATER CHARLOTTE

2017 FIVE-YEAR UPDATE

Working Together for Our Economic Future

The Centralina Economic Development Commission (CEDC), a 501(c)3 nonprofit established in 2005 by Centralina Council of Governments (CCOG), promotes a diversified and innovative regional economic base, advocates sustainable growth and supports jobs development through expansion,

retention and recruitment of business and industry. The

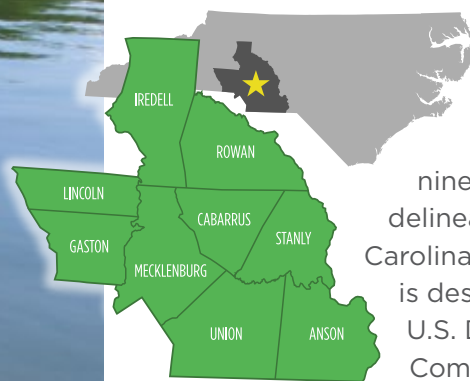
CEDC region of nine counties, also delineated as North Carolina COG Region F, is designated by the U.S. Department of Commerce, Economic Development

Administration (EDA) as the approved Centralina Economic Development District (EDD).

The CEDC is responsible for developing and maintaining the regional Centralina Comprehensive Economic Development Strategy (CEDS) and administering the Centralina EDD. This plan follows the new guidelines released by the US Economic Development Administration (EDA) in February 2015. The CEDS is a strategy-driven plan developed by a diverse workgroup of local representatives from private, public, workforce, education and nonprofit sectors.

The Plan

This is the 2017 Five-Year Update to the 2012 Prosperity for Greater Charlotte Centralina CEDS. It represents a partnership between the Centralina Economic Development Commission



and the Centralina Council of Governments, Charlotte Regional Partnership and nine Economic Development District regional counties. This Centralina Economic Development District (EDD) project updates the CEDS with a comprehensive economic development planning approach to support the goal of making the Greater Charlotte Region a globally competitive, vibrant and resilient collaboration of communities with a common vision.

Economic development initiatives must adapt to a constantly changing environment. Decades ago, communities could focus their primary economic development initiatives on corporate recruitment (a.k.a., “elephant hunting”). Today, competition for projects is up, while fewer large projects are available to hunt. Job creation is now much more nuanced than in decades past, with talented workers first choosing where to live and companies following the talent. Achieving a thriving economy requires economic developers to have much greater collaboration with educators, nonprofits, government and the private sector.

This 2017 CEDS Strategic Plan reflects a holistic, modern view of economic development. While global business recruitment is one part of the initiative going forward, there is a wider approach needed that includes business retention and expansion, entrepreneurship, talent and product development. With additional focus on quality-of-life factors and economic equity and mobility, these components comprise an optimal community spectrum for future health and prosperity for the Greater Charlotte region.

The Need for Stronger Regional Collaboration

The 2017 Prosperity for Greater Charlotte Comprehensive Economic Development Strategy outlines an approach to coordinate growth and prosperity that builds on the region’s strengths, prioritizes key regional industry clusters and emphasizes collaboration.

A key component of this strategic planning process is to maintain and bolster the regional economy and job growth by continued linkage of the region’s workforce skills and strengths, education assets, and infrastructure to the needs of high-growth and emerging industries. The strategy will guide priorities for economic development in the region.

A Cohesive Plan is Essential

Our current strategic effort aims to assemble the next clear and refreshed vision for the future of the

9-county Centralina EDD region while recognizing the interconnected economics of the entire 16-county Charlotte USA region.

Successful economic development today requires a plan to be in place. In fact, site selectors and companies look to a region’s plans as an indicator of where a community plans to be, how it plans to get there and which institutions are accepting responsibility. Regions with cohesive and realistic plans will grow in a more organized fashion and better leverage the assets in each of the component counties. This evaluation ensures alignment with multiple local initiatives for the greatest efficiency and sustainable impact of regional growth for decades to come.

Our 2017 CEDS is built on four priority goals for the region that will be the foundation of this plan:

- Compete globally
- Develop, retain, and attract talented people
- Improve and modernize infrastructure
- Foster overall quality of life

This plan is meant to be a guide to the entire community, not just to leadership. Business executives, students, workers and elected leaders should all find value in the content and data of these reports. The Centralina Economic Development Commission invites participation in implementing this plan.

Finally, plans are most useful when they are updated regularly, can adapt and can be all-inclusive. While this plan will be finalized for submittal to government agencies, the Centralina Economic Development Commission and its Advisory Council aim to make this a “live plan” going forward.

The use of “Greater Charlotte Region” in the language of this report is reflective of the larger collaborative analysis by the Centralina EDD and the additional inter-relational and centralized impacts of an established and operative 50-mile regional economic zone.

However, all report findings and priorities with goals, objectives and tactics are specifically endorsed and adopted only for the U.S Department of Commerce, Economic Development Administration (EDA)-approved nine-county jurisdiction of the Centralina Economic Development Commission’s Economic Development District (EDD). This report in no way replaces or supplants adjacent EDD CEDS jurisdiction plans that share partial coverage within the economic zone of influence defined and analyzed for this report that may be partially included on occasion in some metropolitan statistical area (MSA) analytic databases.



REGIONAL BUSINESS AND INFRASTRUCTURE OVERVIEW

People like to live, work and play in the Greater Charlotte region. The City of Charlotte is the urban anchor of the Greater Charlotte region and serves as a hub for the urban/rural region for commerce, arts and entertainment and housing. Relocating companies demonstrate repeatedly that they are successful in recruiting highly talented individuals from all regions of the U.S. and abroad. The Greater Charlotte region has one of the highest in-migration rates in the nation. In fact, in November 2016, Rentonomics by Apartment List ranked the Charlotte MSA as the #1 destination of millennials (18-34 year olds) in the nation. With a population of more than 2.4 million, the Greater Charlotte region offers all the advantages and amenities of a major urban/rural quality of life environment. The Greater Charlotte region's cost of living is lower than the national average and housing affordability is also favorable compared to other major urban markets.



DESTINATION TO CALL HOME BY MILLENNIALS

The Charlotte MSA was ranked the #1 destination of millennials (18-34 year olds) in the nation.

Source: Rentonomic by Apartment List, November 2016

Charlotte is rapidly bouncing back from the recession with one of the strongest housing recoveries in the nation. The nation's number of major markets, defined as metropolitan areas with populations above 1 million, was projected to grow from 53 in 2015 to 68 in 2040. The populations of 10 major U.S. metropolitan areas will skyrocket by more than 50% in the coming quarter-century, according to projections issued in October 2016 by American City Business Journals. The Greater Charlotte region falls just outside of those top 10 major growth markets, coming in at No. 11. According to the projections, the Charlotte-Concord-Gastonia metropolitan area's population over the next 25 years is predicted to grow by 49% to 3.6 million inhabitants by adding about 1.2 million people to its ranks and remain a top 25 U.S. market.

Job opportunities in Charlotte are greater than in most other U.S. cities. Syneva Economics reported in March 2017 that employment in the Charlotte-Concord-Gastonia metro totaled 1,169,700. This represents a net change of 34,700 jobs from a year earlier, an annual employment growth change of 3.1%. By comparison, the average rate for all U.S. metros was 1.3%.

The Greater Charlotte region is strategically located on the U.S. east coast and is only a two-hour plane ride or less from 60 percent of the U.S. population. The highest mountains in eastern North America are a short 2-hour drive away, while some of the best Atlantic coast beaches can be reached by car in only 3 to 3.5 hours. Charlotte Douglas International Airport provides superior air service with nonstop daily service to 166 destinations, including international service to Dublin, Frankfurt, Munich, London, Montreal, Toronto, Mexico City, Rome, Madrid and many Caribbean islands.

The Greater Charlotte region is firmly established as one of the country's most recognized and respected regional health care centers and offers a nationally acclaimed level of higher education. The 51 colleges and universities within the area serve more than 240,000 students. A thriving arts community enhances an already rich and stimulating quality of life. Symphony, dance, theater, opera, art museums and a wide range of other venues exist throughout the region as well as an abundance of outdoor recreation opportunities. Sports are represented by professional NFL, NBA, NASCAR, PGA, USL, AAA baseball and others, not to mention collegiate teams.

GREATER CHARLOTTE REGION FAST FACTS



2.4 M+
POPULATION

49%  **3.6 M**
GROWTH POPULATION

Projection for Charlotte-Concord-Gaston Metro Area over the next 25 years

1,169,700
EMPLOYMENT TOTAL



for Charlotte-Concord-Gaston Metro Area, representing a net change of 34,700 jobs (3.1%) from a year earlier. The average rate for all U.S. metros was 1.3%.

CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT



2-hour ride
to 60% of the U.S. population

Daily Nonstop Service to
166 DESTINATIONS
including many international cities



51 COLLEGES &
UNIVERSITIES
SERVING
240,000



REGIONALLY-HEADQUARTERED COMPANIES



\$34.8 billion
paid in total wages, salaries
and benefits

34.7%
OF THE
REGIONAL ECONOMY



is supported by headquartered companies



529,649
TOTAL IMPACT
OF JOBS

supported by headquartered companies

986 FOREIGN-
OWNED
COMPANIES



Compared to only 606 in 2003

Dynamic and Diverse

The Greater Charlotte region remains a top destination for new and expanding businesses. Our regional economy draws its strength from its remarkable diversity, having emerged in less than a decade from mainly a United States banking and financial center to home of many world headquarters including seven Fortune 100 companies with a majority outside the financial sector in varied industries such as energy, retail and manufacturing.

In fact, no single industry sector, including financial services, has a dominant share of the employment market. All major industry groupings are represented. More than 1,300 companies regionally employ 100 or more residents, and the region boasts 291 Fortune 500 operations.

The region's manufacturing industry has grown and diversified through the decades, boasting over 4,000 firms specializing in sophisticated intelligent manufacturing, with precision metrology, optoelectronic and biomedical technology developing alongside such traditional manufacturing as primary and fabricated metals, machinery, chemicals, plastics, electronics, transportation equipment and food and beverages. With such a strong workforce, operations and distribution infrastructure, pro-business climate and more, it is no wonder that manufacturers increasingly choose to call the Greater Charlotte region home.

Increased Interest from Abroad

The Greater Charlotte region has also seen steady and impressive growth in international businesses. Currently, there are more than 986 in the region, representing 46 countries and employing more than 61,000 workers. The region offers a nurturing climate for regional, national and international companies of all sizes and hosts numerous nonprofit organizations that focus on international business, foreign policy and global culture. The Greater Charlotte region is home to the honorary consuls of Austria, Canada, France, Germany, Great Britain, Guatemala, Hungary, Ireland, Italy, Mexico, Moldova, Nicaragua and Switzerland.

Key to our global business appeal is the Charlotte Douglas International Airport (CLT), which services over 44 million passengers a year on 721 daily departures including non-stop service to 33 international destinations. The Charlotte region is at most one plane change away from any important business destination in the world.



CHARLOTTE DOUGLAS
INTERNATIONAL AIRPORT

BY THE NUMBERS

2

Second-largest hub of
American Airlines

7

World's seventh highest
for aircraft movements

9

Nation's ninth busiest
in total passengers

20

Twenty cargo carriers
supported by 500,000
sq ft of warehouse space

1

One 200,000 TEU
intermodal facility linking
air, rail and truck services
to East Coast seaports



A Hub for Exports and Distribution

In 2015, Charlotte MSA was the 23rd largest exporter in the U.S. On average, exports from the region have increased by 13.0% annually over the past 10 years. Exports are a major foundation to the current economic strength of the region.

The Greater Charlotte region is a significant transportation and distribution center. At its heart, Charlotte Douglas International Airport (CLT), home to the second-largest hub of American Airlines, is the world's seventh highest for aircraft movements with 545,542 take-offs and landings and the nation's ninth busiest in total passengers. The airport is also less than 25 minutes from most regional business parks. CLT serves its active business community with approximately 20 cargo carriers supported by 500,000 square feet of warehouse space in the Charlotte Air Cargo Center. CLT also offers both domestic freight and international airfreight services from 70 freight forwarders, customhouse brokers and professional international service providers. In 2015, Norfolk Southern opened a 200,000 TEU intermodal facility at CLT that links air, rail and truck services to East Coast seaports.

Of the nation's 51 metropolitan markets with more than 1 million in population, 34 are located on the Eastern Seaboard, making up more than 58 percent of the country's population. Of these 34 markets, 29 lie within a 650-mile radius of Charlotte and can easily be reached by 24-hour truck delivery or two hours flight time. The Greater Charlotte region is the only major distribution center midway between the Northeast, Midwest and Florida. Of the major metro centers in the Southeast, the Greater Charlotte region has 7.4 million people living within a 100-mile radius, compared to Atlanta's 8.3 million. This radius population well exceeds Miami's 6 million and Memphis' 2.6 million. As a result, the entire region has emerged as a leading national and global financial, distribution and transportation center.

Public transportation plays a significant role in connecting the people of Charlotte and the surrounding areas. The Charlotte Area Transit System (CATS) is growing at a rapid pace, serving Mecklenburg County and the five surrounding counties. The LYNX Blue Line built in 2007 is the region's first light rail system, running 10.5 miles from South Charlotte to Center City. Opening in Winter 2017, an additional 9.3 mile extension through northeast Charlotte will connect the UNC Charlotte campus at its terminus.

Charlotte's industrial market continues to be particularly strong, creating very low vacancy rates and challenges for tenants who can't find or relocate to bigger spaces. Market-wide, the vacancy rate for warehouse space dropped to 4.4% in June of 2017, compared to 5.9% at the start of 2016, according to an industrial market report by Cushman & Wakefield. Further, a report by Avison Young noted that for first quarter 2017, the absorption for the region's industrial market totaled 1.1 million square feet, making it the fourth consecutive quarter that absorption totaled more than 1 million square feet.

More than 3 million square feet of warehouse space is under construction, but much of that is geared toward larger tenants — and with a lack of land and rising construction costs, much of the industrial development in the region will be outside of Mecklenburg County, the Cushman report predicted. Foundry Commercial's 2017 1st quarter industrial report estimated an even higher amount of 4 million square feet is being built in the region, with much of that to be delivered this year.

Overall, the Greater Charlotte region's well-known pro-business environment is evident in its ability to move people and products efficiently and conveniently throughout the world. Service is available by air, rail, land and inland port. Factoring in geographic location, amenable climate, convenience to major U.S. markets, the Foreign Trade Zone, the U.S. Customs Border Protection office and the inland port, it becomes clear the region offers advantages that makes business easier to conduct and more profitable.

The Urban/Rural Prosperity Divide

Since the Greater Charlotte region's nine county EDD geography reflects in many ways the full definition of the "Urban/Rural divide," this plan also seeks to address the challenges for all the member residents and communities. NC Justice Center reported in 2016 that after nearly four years since

the formal end of the Great Recession, rural North Carolina is experiencing a very different recovery than the state's urban areas. Instead of replacing the jobs lost during the recession, rural parts of the state are continuing to experience job loss, while at the same time the state's metropolitan and micropolitan areas have experienced employment growth.

Metropolitan areas saw a 5.6 percent increase in employment levels, with the small cities in the state's micropolitan areas not too far behind at a 4.9 percent increase. At the same time, rural areas saw total employment drop by 13.5 percent, suggesting that workers left rural communities in droves and moved to the state's cities to find employment. A major factor behind this shift from rural to urban employment involves the long-term trend away from manufacturing employment and towards service employment.

Historically, rural counties have depended on the manufacturing sector to provide the bulk of their employment opportunities, so as rural manufacturing declined due to global economic restructuring, rural workers were faced with a transition to service industries—generally lower-

skilled and lower-wage, especially Leisure & Hospitality and Retail—and overall shrinking job opportunities.

The conclusion of the Great Recession did not create a positive turnaround for all residents. Instead, it marked an even greater depression for the rural economy. Without the creation of more manufacturing jobs, comprehensive economic restructuring in these rural counties and skills training for a 21st century economy, residents of rural counties will likely continue to face the hardships of job loss and economic stagnation. The goals and objectives of this 2017 CEDS plan ensure the integration of this issue into the recommended strategies for the future.

Evolving Our Workforce to Remain Competitive

Another of Greater Charlotte's key business assets has been a focus on an interconnected and targeted workforce talent pipeline that was foundational to the 2012 CEDS strategies. It is even more appropriate as we look forward for 2017-2022. Linking the interconnected clusters and industry sector needs with education and workforce provider systems is more paramount than ever.



Historically, rural counties have depended on the manufacturing sector to provide the bulk of their employment opportunities, so as rural manufacturing declined due to global economic restructuring, rural workers were faced with a transition to service industries—generally lower-skilled and lower-wage, especially Leisure & Hospitality and Retail—and overall shrinking job opportunities.

Economic developers in the 21st century face new and dynamic challenges due to the changing structure of the global economy:

- Globalized markets increase competition
- Shortened technology lifecycles create a persistent demand for new skills
- Changing expectations force businesses to become more real-time responsive.

These evolutions are altering business models and strategies, in unforeseen and consequential ways. The challenge of slow wage growth compared to the much higher pace of productivity gains will be a primary issue to balance for matching available labor to industry needs. Established structures of education have not kept pace with this change.

In the past, students prepared for their careers during the years they spent in school, with a distinct break between their education and working years. Today, that distinction is blurring. Students are increasingly working, learning about potential careers and gaining knowledge through real-world experience. Workers are increasingly learning and pivoting out of careers that no longer serve them,

and/or they are using new credentials to ascend to a higher job positions and career opportunities.

This is a phenomenon that has given rise to the term “working-learner,” a phrase that, when considered broadly, captures a large swath of the population. Economic development organizations that support programs like apprenticeships, targeted workforce training and career fairs – all of which are included under the umbrella of “working-learning” – understand that a strong pipeline of qualified workers leads to business retention, expansion and ultimately attraction.

Business and Industry Cluster Focus

The 2016 Charlotte Regional Strategic Plan prepared by Avalanche Consulting recommended five consolidated target clusters to unify and update the current targets of the Charlotte Regional Partnership, Charlotte Chamber and the 2012 Prosperity for Greater Charlotte CEDS. The transition of previous target clusters into new clusters and niche sectors is illustrated below. International Business and Corporate Headquarters remain targets, but are layered throughout the five recommended clusters and included in many



WORKFORCE PERCENTAGE GROWTH

JAN 2010 – JAN 2017

24%

WORKFORCE INCREASE

of the recommended niche sectors. These will naturally grow as a result of increased investment and awareness of the region. This Industry Cluster alignment is endorsed and adopted in this 2017 CEDS plan in strategic alignment with the common assets and priority focus of all the regional economic development organizations. These Cluster targets provide high-growth opportunities for a variety of residents and communities within the region and the 2016 Charlotte Strategic Regional Plan Target Cluster full analysis is included as an online appendix to this plan.

2017 TARGETED INDUSTRY CLUSTERS

PREVIOUS TARGET CLUSTER	NEW CLUSTER	NICHE SECTORS
AEROSPACE / DEFENSE	ADVANCED MANUFACTURING	Transportation Equipment
		Advanced Materials
AUTO / MOTORSPORTS		Energy Prod., Equip. Mfg. & R&D
		Engineering
ENERGY & POWER		Food & Beverage Processing
		Designer Crafts
MANUFACTURING		Industrial Machinery
		Optoelectronics
FINANCE	FINANCIAL SERVICES	Banking & Insurance
		Banking Regulatory Services
		Financial Tech & Analytics
HEALTH / BIOMEDICAL	HEALTH	Bioinformatics & Genomics
		Biomedical Testing & Supply Sys.
		Healthcare Software & Tech Svcs.
		Medical Tourism
		Nutraceuticals
LOGISTICS & DISTRIBUTION	LOGISTICS & DISTRIBUTION	Intermodal Distribution
		Logistics Technology & Software
		Third-Party Logistics
ANALYTICS & TECH	INFORMATION TECHNOLOGY	Cloud Computing & Data Mgmt.
		Cyber Security
		Data Centers
		Mobile Technology & Software
		Visualization Software & Analytics

ECONOMIC DEVELOPMENT VISION STATEMENT

The 2017 Prosperity for Greater Charlotte CEDS is designed to align with NC Tomorrow, North Carolina's Statewide CEDS compiled in 2014 and updated for 2017, in addition to the Charlotte Regional Economic Development Strategic Plan of July 2016. In this way, the Centralina EDD CEDS Advisory Committee anticipates developing a strong relationship between action plans and performance for economic and community development at the regional, state and federal levels.

VISION: The Greater Charlotte region invests together to enforce its position as a global leader in business, innovation and talent.

The Charlotte Regional Economic Development Strategic Plan identified unifying the following work of existing activities and plans as an important implementation strategy:

- Entrepreneur Design Sprint (May 2016)
- Strategy for the Greater Charlotte Region Global Initiative (2016)
- Charlotte Entrepreneur Growth Report (2015)
- Catalyst Report (2015)
- Centralina Manufacturing Ecosystem Development Strategy (2015)[†]
- Charlotte Chamber Industry Focus Groups (2013)[†]
- Mapping the Entrepreneurial Ecosystem (2013)[†]
- Prosperity for Greater Charlotte CEDS (2012)[†]
- Charlotte Regional Partnership marketing study (2012)[†]
- CONNECT OUR FUTURE (2010-2012)[†]

[†] From *Centralina 2012 CEDS Initiatives*

"Global leadership" expresses stakeholders' desire for the region to be one of the best performing economies in the world. This requires having an environment that nurtures business, encourages innovation and entrepreneurship, and attracts talent.

"Enforcing" emphasizes the fact that the region is already among the best locations for business in the world. Maintaining that position requires constant reinforcement through targeted marketing and business development initiatives, strengthening the region's brand and continually investing in the community's assets.

Plan Snapshot

This 2017 Prosperity for Greater Charlotte CEDS Five-Year Update:

- Identifies critical regional issues and opportunities over the next 3-5 years and provides an action plan to address these issues and maximize opportunities
- Includes validation of the region's current industry targets and exploration of other potential clusters for future expansion
- Provides specific recommendations for the region's business attraction (domestic and international) efforts, retention and expansion actions, and small business and entrepreneurial support initiatives



S W
O T

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

Our 2017-2022 CEDS process included an analysis of the region's Strengths, Weaknesses, Opportunities and Threats (SWOT) using surveys, assessments and advisory workshops. Part of our analysis is a community-wide online CEDS survey of economic issues for the four focus areas of the 2017 CEDS:

- Workforce & Education
- Business Climate/Innovation/Entrepreneurship
- Infrastructure
- Quality of Life

REGIONAL SURVEY FINDINGS

TOP 3 COMPETITIVE STRENGTHS:



- 1-Geographic location 72%
- 2-Cost of living 56%
- 3-Lifestyle 39%

TOP 3 COMPETITIVE WEAKNESSES:



- 1-Transportation Infrastructure 54%
- 2-Government/Political Leadership 45%
- 3-Pre K-12 Schools 33%

- Three highest rankings of current Quality of Life: 1-Climate 90%, 2-Natural Environment 89%, 3-Family friendliness 87%.
- Business Climate expectations top three positives: 1- Future Economic Growth Potential 58%, 2- Cost of Doing Business 50%, 3- Image as a Business Destination 42%.
- Meaning of successful economic development, top three definitions: 1-Supporting Existing Business

Retention & Expansion 77%, 2-Recruiting/Expanding New Industry 76%, 3-Improving/Increasing Educational Assets 46%.

- Change over the past three years in availability of programs and services for entrepreneurs: 42% Significant or Somewhat Improved; 53% Stayed the Same.
- Top three positive areas of Workforce and Employment expectations: 1-Job Availability 35%, 2-Career Advancement Opportunities 33%, 3-Entrepreneurial Support 30%.
- Change over the past three years in availability of skilled workforce: 37% Significant or Somewhat Improved; 46% Stayed the Same.
- Three most important types of existing infrastructure assets: 1-Air, 2-Housing, 3-Broadband.
- Resiliency of the region: 59% Very or Somewhat resilient; 23% Neutral.
- Top three biggest threats to resiliency: 1-Over-reliance on One Industry or Employer 44%, 2-Vacant Downtowns 39%, 3-Lack of Civic Participation 38%.



TOP 3 ACTIONS FOR LEADERS TO BETTER THE REGION FOR RESIDENTS:

- 1-Improve K-12 Education 51%
- 2-Improve Roads & Connectivity 45%
- 3-Create Job Opportunities 41%



TOP 3 ACTIONS FOR LEADERS TO BETTER THE REGION FOR BUSINESSES:

- 1-Improve K-12 Education System 36%
- 2-Improve Infrastructure 30%
- 3-Provide Small Business Support 29.5%

SWOT Summary

After completing a thorough analysis of our region's strengths, weaknesses, opportunities and threats, it is important to assess an accurate picture of where we are, so that the steps we take have a real effect and move us forward. We have plenty of positive attributes to leverage for success, but we must also recognize the negative in order to remedy or diminish them. The information has been formulated and condensed into the following summary. We simply state the good, the bad, and the gist of what needs to be done. The full SWOT detailed results can be found in the online appendix of this report.

THE BIG PICTURE TODAY

First, here is a big picture snapshot of the strengths and weaknesses that affect the economic future of the entire region.

The Good

The Greater Charlotte region is an ideal location for commerce and a desirable place to live. Proximity to a majority of the U.S. population, in combination with excellent air and rail service, make the area a logical choice for manufacturing and distribution, as well as other industries. The pleasant climate, plentiful natural and manmade amenities and relatively low cost of living are key factors in delivering a high quality of life. The pro-business political environment, potential for future growth, ample choices for higher education, a skilled workforce and increasing support services for entrepreneurs are important for enabling business success.

The Bad

Transportation infrastructure is lagging behind population growth, resulting in significant roadway traffic congestion and inhibiting workers' ability to commute. An overall lack of funding for public

education is a threat to the future workforce and a major negative for families currently living here or considering relocation. Limited access to venture capital as well as existing public funding constraints are a barrier for business startups. And a lack of civic leadership and coordination makes it more difficult to maximize the effectiveness of available resources and action plans.

What Needs To Be Done

Improving K-12 public education is critical for both quality of life and business growth and success. There must also be a concerted regional effort to improve the transportation infrastructure, reducing roadway traffic and linking affordable housing locations to employment centers. Additionally, providing greater financial and consulting support to small and growing businesses is essential to develop robust and diverse regional commerce.

FOCUSING IN - FOUR TOP PRIORITIES

Next, we assess four separate goal areas that we will focus on with our implementation action plan: workforce and education, business climate/innovation/entrepreneurship, infrastructure and quality of life.



WORKFORCE & EDUCATION

The Good

A growing young professional population, strong community colleges and four-year universities, apprenticeship programs, career academies in select high schools and improving employer-educator partnerships are important building blocks for a skilled and relevant workforce.

The Bad

Inconsistent, underfunded and underperforming K-12 education in some parts of the region is a serious hindrance. Lack of employer-educator coordination persists even though improvements have been made including sector partnerships. There is also a limited understanding and awareness of technical and apprenticeship programs.

What Needs To Be Done

Improve K-12 education by promoting increased government funding as well as focusing on workforce preparedness and stronger employer-educator communications and partnerships.



BUSINESS CLIMATE / INNOVATION / ENTREPRENEURSHIP

The Good

A pro-business climate, low corporate taxes, international airport and desirable area with plentiful amenities create an excellent foundation. A variety of strong regional partnerships and industry organizations build on that foundation.

The Bad

Fragmented entrepreneurial efforts, lack of civic collaboration and limited access to public and private funding are serious threats to innovation and small business growth.

What Needs To Be Done

Collaboration. All entities must unite behind a shared vision to expand and improve entrepreneurship. That includes political leadership, aligned resources across the region, and an effort to facilitate startups.





INFRASTRUCTURE

The Good

An excellent geographic location, combined with superior air and rail service, make the Greater Charlotte region very attractive.

The Bad

Roadway traffic congestion and lack of affordable housing near employment centers will make it increasingly difficult for workers to get to work. Lack of funding for water projects also restricts growth potential.

What Needs To Be Done

Continue to strengthen air and rail distribution assets, including access to NC Ports. We must significantly improve how people travel throughout the region – from walkable streets and bike trails within municipalities to enhanced highway and rail transit for commuters and overall connectivity.

QUALITY OF LIFE

The Good

Overall, the region offers an affordable cost of living. Existing are plentiful natural recreational amenities, including parks and greenways, world-class professional sports, a wide array of visual and performing arts, and a geographic location ideally situated between the mountains and the sea. With Charlotte as the urban centerpiece, residents experience a diverse culture that provides easy access to big-city excitement as well as small-town charm.

The Bad


The good has spurred tremendous growth, which has contributed to fundamental problems, most notably uneven K-12 education, roadway traffic congestion, lack of affordable housing near employment centers, and lack of connectivity via sidewalks and bike trails in some areas. Hindering the ability to fix some issues is limited local jurisdiction funding control. Finally, as much as the area has progressed in recent decades, many

external audiences are unaware of the increasingly cosmopolitan improvements to Charlotte and overall appeal of the region.

What Needs To Be Done

There must be collaboration in regional planning and promotion to ensure intelligent growth, increased tourism and global recognition. That is, we must develop clear and compelling communication that highlights the region's positive attributes and tremendous business potential to external audiences.





A CEDS strategic response to a Greater Charlotte financial disaster mode of 2008-2010 yielded resiliency outcomes for the region that are incorporated currently to aid all future planning perspectives including this 2017 Five Year CEDS Update.

GLOBAL CHARLOTTE RESILIENCY ECOSYSTEM

Strong population and job growth sharply declined because of the financial crisis and national recession. Job growth turned double digit negative from 2008-2010 with a loss of over 10% of the workforce jobs with financial services and construction industries taking the hardest hits, and manufacturing job losses accelerating. The Prosperity for Greater Charlotte 2012 CEDS effort resulted in very detailed analyses of strong, weak, advancing, and declining industries in each of the counties of the region for the ensuing five years. The CEDS also tracked the cluster and sector skills needed and training available within the region at a very fine-grained level. The combination of these industry-cluster and workforce education analyses permitted an unprecedented level of strategic planning for workforce preparedness and industry diversification, which was critical for unprecedented growth and recovery by 2017 and created an embedded resiliency for the future.

An economically diverse region is identified as more able to withstand shock, be it economic downturn or a natural disaster. Economic diversification is both a recovery strategy and a tool for communities to increase their resiliency for future disasters. Proven economic diversification strategies that have been integrated over the past decade as a part of the Greater Charlotte region's CEDS strategy include:

- Promoting entrepreneurship and small business within the community
- Improving and building upon the local workforce
- Encouraging multiple regional clusters
- Increasing export activity

Strategic Focus on Advanced Industries

The 2012 CEDS identified unique core regional competencies of Advanced Manufacturing, Engineering and Information Technology that are embedded in five of our six existing major Target Industry Clusters (Aerospace, Automotive, Life Sciences, Logistics and Energy). Together, these competencies and Industry Clusters form the Charlotte Advanced Industries Super-Cluster.

Key diversification and resiliency assets for the region now exist within the manufacturing Super-Cluster of firms that develop and or apply new technologies, processes and solutions, increasingly classified as "Advanced Industries". The region harnesses Engineering & IT competencies to design innovative technologies, Advanced Industries manufacturing competencies to competitively produce a very wide range of goods, and Logistics/Transportation to provide competitive advantage in delivering products worldwide. A partnership

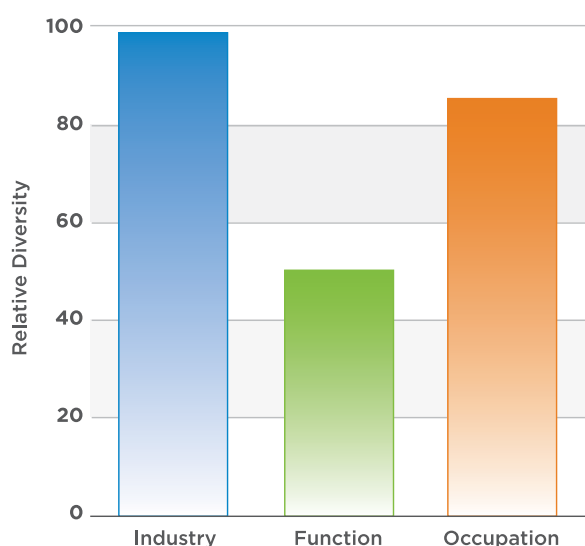
of the region's highly networked manufacturers, educational institutions, workforce boards and economic development agencies continues to maintain and strengthen a long tradition of collaboration.

An Assessment of Resilience Diversity

The following Centralina Economic Development District (EDD) Diversity data illustrates the region's success and status, compared to EDDs across the nation, in achieving resiliency efforts begun in 2012 and continuing for this 2017 through 2022 CEDS plan.

Centralina Economic Development District (EDD) Resiliency Diversity Status – US and Local

Development District Diversity (percentile ranking compared to all other development districts)



Industry diversity measures the number of industry types in a region and the evenness of employment across a maximum of 1,110 industry types that employ a region's residents.

- Low diversity implies employment concentrated in only a few industries.
- High diversity implies employment distributed relatively evenly across many industries.

Function diversity measures the evenness of employment across eleven broad industry functions, such as finance, insurance and real estate, health care and capital-intensive manufacturing.

- Low diversity implies employment concentrated in only a few functions.
- High diversity implies employment distributed relatively evenly across many functions.

Occupation diversity measures the evenness of estimated employment across 96 occupational groups, such as agricultural workers, life scientists, secretaries and administrative assistants and top executives.

- Low diversity implies employment concentrated in only a few occupation groups.
- High diversity implies employment distributed relatively evenly across many occupation groups.

Development District Rank by Industry Diversity

1. Mecklenburg County, NC	99th Percentile
2. Union County, NC	94th Percentile
3. Iredell County, NC	93rd Percentile
4. Gaston County, NC	92nd Percentile
5. Cabarrus County, NC	91st Percentile
6. Lincoln County, NC	83rd Percentile
7. Stanly County, NC	82nd Percentile
8. Rowan County, NC	81st Percentile
9. Anson County, NC	46th Percentile

Development District Rank by Function Diversity

1. Rowan County, NC	96th Percentile
2. Stanly County, NC	93rd Percentile
3. Anson County, NC	90th Percentile
4. Iredell County, NC	89th Percentile
5. Cabarrus County, NC	84th Percentile
6. Lincoln County, NC	82nd Percentile
7. Union County, NC	77th Percentile
8. Gaston County, NC	67th Percentile
9. Mecklenburg County, NC	63rd Percentile

Development District Rank by Occupational Diversity

1. Rowan County, NC	96th Percentile
2. Union County, NC	91st Percentile
3. Anson County, NC	88th Percentile
4. Gaston County, NC	85th Percentile
5. Lincoln County, NC	85th Percentile
6. Stanly County, NC	84th Percentile
7. Mecklenburg County, NC	83th Percentile
8. Iredell County, NC	80th Percentile
9. Cabarrus County, NC	63th Percentile



THE STRATEGIC PLAN

Four-Goal Implementation Action Plan

Based upon our extensive analysis, the CEDS Advisory Committee and CEDC Board have developed robust, detailed implementation action tactics that address our four priority goals for the next five years. This is a plan for region-wide collaboration, pulling together our diverse strengths and united energy to build on our strengths and remedy our weaknesses.

The implementation plan will be utilized to help guide the selection of future economic development projects and investments as they are created to address critical barriers to regional economic prosperity. Each goal and objective is associated with tactics and specific actions in order to provide accountability and performance measurements.

Four Priority Goals for the Greater Charlotte Region:



- Compete globally
- Develop, retain, and attract talented people
- Improve and modernize infrastructure
- Foster overall quality of life



GOAL 1 **CREATE AND MAINTAIN A GLOBALLY COMPETITIVE REGION**

Promoting disruptive technologies has the potential to create new business models for almost every industry, from construction and manufacturing, to product distribution, to business services and health care.

While the region is globally recognized for its business and industry clusters, it must coordinate efforts to build, grow and maintain competitive areas of proficiency and innovation in order to drive the continued evolution of these existing clusters. Additionally, promoting disruptive technologies and business models can create growth opportunities beyond clusters. Technological shifts have the potential to create new business models for almost every industry, from construction and manufacturing, to product distribution, to business services and health care, to a variety of other supporting services. Research and development, innovation, and entrepreneurial leadership will be key future assets for the pursuit of this goal in addition to the globalization of the community workforce and industry base.

TACTIC 1

BOOST ENTREPRENEURIAL DEVELOPMENT

- Assess current educational programs and fill in identified gaps.
- Promote public and private venture capital through alliances among regional business organizations.
- Engage with the entrepreneurial population directly to create business events in order to retain them in the region.
- Determine what entrepreneurial resources are missing and work with stakeholders to rectify.



TACTIC 2

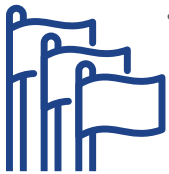
ATTRACT MORE INDUSTRIES TO THE REGION

- Convene annual meeting of regional EDCs to formulate marketing initiatives.
- Execute complete supply chain analysis of key clusters to identify gaps; and evaluate clusters quarterly.
- Improve global competitiveness by hosting workshops with federal, state and local funding agencies that provide assistance to business.



TACTIC 3

DEVELOP THE REGION'S INTERNATIONAL COMPETENCY

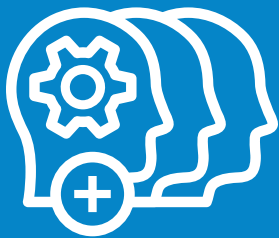


- Convene annual meetings to encourage engagement with current international, ethnic and minority populations, helping to enhance economic and social opportunities.
- Undertake assessment of existing cultural barriers and gaps that impact international visitors and investors.
- Hold planning meetings with local EDCs and Chambers to develop marketing strategies that engage networks of small businesses that could benefit from collaboration (tourism, agriculture and food products, etc.)
- Develop materials that advocate for the transfer of educational credentials of international workers and immigrants.

IMPLEMENTATION PARTNERS

Charlotte Research Institute; Chambers of Commerce; Centralina Workforce Development Board; Economic Development Administration; Gaston Works; Charlotte Works; Ventureprise; Charlotte Entrepreneurial Alliance; and Small Business Administration





GOAL 2

DEVELOP, RETAIN AND ATTRACT TALENT WITH CRITICAL IN DEMAND COMPETENCIES AND EDUCATION

Efforts to recruit, prepare, and retain a world-class workforce require a vision implemented through regional cooperation. And if we want to compete for talent globally, we need to enhance and promote the international diversity of existing regional businesses.

It is imperative that we prepare young students and adult learners with critical in-demand education skills, competencies, and knowledge that align with evolving business and industry needs. Today, many industries are suffering because jobseekers lack the essential skills. Therefore we must build awareness among residents, businesses, and leaders that education and lifelong learning are important drivers of economic development. Efforts to recruit, prepare, and retain a world-class workforce require a vision implemented through regional cooperation. And if we want to compete for talent globally, we need to enhance and promote the international diversity of existing regional businesses.

TACTIC 1

INCREASE COLLABORATION BETWEEN EDUCATIONAL INSTITUTIONS

- Develop regional system for promoting and tracking career pathway training and attainment.
- Promote educational opportunities for defined career paths in high-growth industries.
- Develop an outreach campaign targeting middle and high school students that promotes middle-skill career opportunities.
- Develop materials that promote the value of universal career pathway systems.



TACTIC 2

IMPROVE UNDERSTANDING OF ALL ETHNIC CULTURES THAT LIVE/WORK WITHIN OR VISIT THE REGION

- Promote a diverse workforce by attracting talent and creating a more inclusive environment.
- Support and encourage the formation and expansion of multi-national cultural groups, networks, organizations and schools.
- Create materials that explain how cultural outreach and inclusion can benefit businesses in the region.



TACTIC 3

CREATE AWARENESS OF THE VALUE OF LIFELONG LEARNING

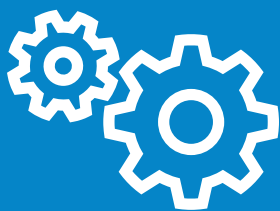


- Support communication campaigns, through webpages and CEDC quarterly newsletter, that promote career opportunities and the requisite training to K-12 students, university graduates and adult workers.
- Continuously promote workforce initiatives that align education options with in-demand occupations.
- Reach out to local businesses and use networks like chambers of commerce, trade groups and human resources to identify specific workforce shortages and incumbent workforce training needs.
- Develop communication materials to advocate for incumbent workforce resources with state and federal agencies.

IMPLEMENTATION PARTNERS

Workforce Boards; Lumina Foundation; Chambers of Commerce; Community Colleges and Universities; Centralina Foundation; K-12 Institutions; and Economic Development Corporations





GOAL 3

IMPROVE AND MODERNIZE INFRASTRUCTURE

TO MAINTAIN A COMPETITIVE ADVANTAGE FOR DOMESTIC AND INTERNATIONAL COMMERCE

The region will become more competitive when businesses, entrepreneurs and residents are able to make use of well-coordinated and robust regional infrastructures for transportation, water/sewer/gas, broadband, housing, energy, and the natural environment infrastructures.

Adequate capacity and condition of infrastructure assets contributes to overall economic competitiveness. Therefore, strategic investments must be made to ensure that these assets are maintained and expanded. Moving goods and information efficiently is vital to accessing markets, moving workers, and maintaining cost-competitive production of products or services. The region will become more competitive when businesses, entrepreneurs and residents are able to make use of well-coordinated and robust regional infrastructures for transportation, water/sewer/gas, broadband, housing, energy, and the natural environment infrastructures.

TACTIC 1

COORDINATE REGIONAL GROWTH PLAN THAT ENSURES SUFFICIENT SHOVEL-READY SITES AND BUSINESS PARKS



- Support site inventory development by providing technical assistance for cities, towns and counties and creating associated webpage(s).
- Develop an annual publication and workshops updating stakeholders on funding mechanisms.
- Facilitate funding and investment by creating webpage and utilizing CCOG services.
- Convene workshops to facilitate collaboration between natural gas providers, planners and developers and to promote improvements to broadband access in underserved areas.

TACTIC 2

SUPPORT IMPLEMENTATION OF GREATER CHARLOTTE REGIONAL FREIGHT MOBILITY PLAN

- Convene regional workshops to educate stakeholders on the value of regional approaches to transportation.
- Maintain and distribute current information on the development of all transportation modes, including rail and air.



TACTIC 3

PROMOTE TRANSIT PLANNING TO MOVE PEOPLE THROUGHOUT THE REGION

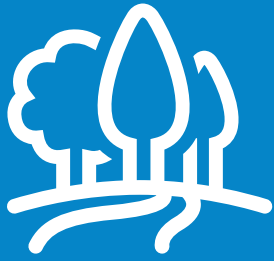


- Promote alignment of economic development with regional transit projects.
- Assess current and future housing availability and its alignment with future growth and employment patterns.
- Assess housing affordability near employment centers and existing infrastructure.

IMPLEMENTATION PARTNERS

Economic Development Administration, NC Economic Development Partnership, Small Business Administration, NC Rural Center, Golden Leaf Foundation, NC Department of Commerce – Rural Development; Main Street, USDA; CCOG Board of Delegates; Metropolitan Planning Organizations; Freight Associations; Federal Highway Association; NC Department of Transportation; Centralina Council of Governments; and Regional Counties and Municipalities, Metropolitan Transit Commission





GOAL 4

FOSTER CONTINUED DEVELOPMENT OF THE REGION'S LIFESTYLE AMENITIES AND ATTRIBUTES

Business productivity can be improved when companies work near one another – facilitating collaboration and learning, the sharing of amenities assets (outdoor spaces, cultural spaces, education and technology) as well as fostering community spirit.

To attract businesses and residents, both urban and rural communities must actively maintain and/or revitalize their city and town centers and other local lifestyle amenities. Business productivity can be improved when companies work near one another – facilitating collaboration and learning, the sharing of amenities assets (outdoor spaces, cultural spaces, education and technology) as well as fostering community spirit. Community lifestyle design also recognizes changing consumer preferences as more workers, families, and active retirees seek to satisfy their preference for either urban amenities, small-town living, or a suburban mix in-between.

TACTIC 1

ADVOCATE FOR CONTINUED INVESTMENT IN REGIONAL AMENITIES

- Educate elected officials and citizenry on the value of focusing on quality-of-life issues.
- Provide technical assistance to cities, towns and counties developing greenways, trails, pedestrian plans and recreational venues.
- Encourage and assist communities to invest in arts and entertainment venues.



TACTIC 2

PROMOTE COMMUNITY DESIGN FOR HEALTHIER LIFESTYLES

- Convene workshops and promote best practices for facilitating natural exercise (walking, biking, etc.).
- Promote better access to outdoor spaces for seniors and increased ADA compliance.
- Convene workshops to encourage local farmers to network and coordinate distribution.



TACTIC 3

PROMOTE THE ROLE OF THE CENTRALINA ECONOMIC DEVELOPMENT DISTRICT AND IMPLEMENT THE CEDS PLAN



- Create an updated website that contains real-time CEDS data.
- Attend Local Government Council and Commission meetings to educate elected officials and residents on activities.
- Reinforce goals and objectives in CEDC quarterly newsletter.
- Convene stakeholders to develop greater regional collaboration on goals and objectives.
- Convene stakeholders to maintain and provide updates to regional resiliency plan.

IMPLEMENTATION PARTNERS

Economic Development Corporations;
Parks and Recreation Planners;
Healthcare Systems; Municipalities
– Planners; Economic Development
Administration; Chambers of Commerce;
and Workforce Development Boards



EVALUATION FRAMEWORK

The evaluation framework serves as a mechanism to gauge progress on the successful implementation of the overall CEDS while providing information for the CEDS Annual Performance Report, as required by EDA. These regular updates keep the strategic direction and action plan outlined in the CEDS current and the plan as a whole relevant.

The evaluation framework is an important element of the ongoing planning process and should answer the questions “How are we doing?” and “What can we do better?” The performance measures will help to evaluate the Centralina EDD’s independent and collective contributions with partners to influence and effect the regional economy through the implementation of the CEDS.

The CEDC will post and distribute the results of each annual evaluation over the next five years. The CEDS governing board will adjust the goals as needed throughout the five-year planning period when changing strengths, weaknesses, threats, and opportunities are identified. The ability to adjust metrics helps to ensure the CEDS is focused on relevant tactics for achieving continued economic prosperity for the Greater Charlotte region.



GOAL 1: PROJECTED METRICS **Create and maintain a globally competitive region**

- Number of new entrepreneurial programs in education system
- Increase in regional access and investment of Venture and Innovation Funds
- Increase in number of new start-ups
- Number of new patents applied for
- Increase in international investments
- Increase in export volume and participation



GOAL 2: PROJECTED METRICS **Develop, retain and attract talent with critical in demand competencies and education**

- Number of career pathway aligned degrees and certificates
- Number of Centralina Career Headlight users
- Number of region wide adopted universal pathways
- Number of sector related jobs filled
- Number of immigrants and minorities relocating in the region
- Number of immigrants and minority employees



GOAL 3: PROJECTED METRICS **Improve and modernize infrastructure to maintain a competitive advantage**

- Number of new shovel ready sites and product
- Increase in federal project related investments
- Increase in infrastructure funding
 - » Broadband
 - » Natural Gas
 - » Transportation
 - » Utilities



GOAL 4: PROJECTED METRICS **Foster continued development of the region’s lifestyle amenities and attributes**

- Increase in the number of bicycle and pedestrian plans
- Increase in the miles of greenways
- Increase of Philanthropic and Arts investments in downtowns
- Number of Healthy Communities designations/certifications
- Number of new local food networks/farm-to-market councils



Summary Call to Action

The 2017 Prosperity for Greater Charlotte Comprehensive Economic Development Strategy outlines an approach to coordinate growth and prosperity that builds on the region's strengths, prioritizes key regional industry clusters and emphasizes collaboration. This plan reflects a holistic, modern view of economic development. While global business recruitment is one part of the initiative going forward, there is a wider approach needed that includes business retention and expansion, entrepreneurship, talent and product development. With additional focus on quality-of-life factors and economic mobility, these strategic components comprise an optimal foundation for securing the future health and prosperity of the Greater Charlotte region.



2017-2022 PROSPERITY FOR GREATER CHARLOTTE CEDS
Available online at ProsperityForGreaterCharlotte.com

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