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businessfirst
charlotte

ANNUAL REPORT 2008

Message from the BusinessFirst Charlotte chair

businessfirst
charlotte
a City-Chamber Program

WHAT A SUCCESSFUL YEAR FOR

BusinessFirst Charlotte! As the 2008 Chair of this award-winning City-Chamber business satisfaction program, I have been privileged to work with an outstanding group of professionals and volunteers dedicated to making Charlotte a better place for business. For two years, I have visited a wide array of companies in our city asking a simple, but important question, "How's business?" *BusinessFirst Charlotte* is the only initiative in our City designed explicitly to solicit feedback from local businesses about the quality of Charlotte's business climate. But that's not all. The true power of *BusinessFirst Charlotte* lies in our promise to work on behalf of our local businesses to solve real business problems affecting real bottom lines.



Eric S. Parris
Jones Lang LaSalle

On behalf of *BusinessFirst Charlotte*, let me first thank the hundreds of local companies that have opened their doors to us. The information you shared during a 30-45 minute interview has given us a better understanding of our business climate through a candid and uncensored lens. This annual report reflects your comments and will direct our program of work for 2009.

Secondly, I want to thank the dozens of *BusinessFirst Charlotte* volunteers who conducted a company interview this year. Your hard work and dedication to *BusinessFirst Charlotte* is making a real difference to our local economy.

Finally, a special thanks to our sponsor Duke Energy who made this program possible.

In 2008, *BusinessFirst Charlotte* won the Award of Excellence from Business Retention and Expansion International. This award was presented for an Outstanding Multi-Community, County or Regional Program with a population over 50,000. This award is a measure of all the hard work *BusinessFirst Charlotte* volunteers and staff have put into this program. As we enter into a challenging year ahead, *BusinessFirst Charlotte* stands ready to listen and respond.

Eric Parris, Chairman, BusinessFirst Charlotte

A partnership of the
City of Charlotte and the
Charlotte Chamber



CHARLOTTE™

charlotte
CHAMBER

BusinessFirst Charlotte
Presenting sponsor:



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Visit Summary

THE INFORMATION IN THE 2008 *BusinessFirst Charlotte* Annual Report was compiled from interviews with 400 companies in Mecklenburg County. Together, these companies employ 76,068 workers, or 18.05% of all jobs in Mecklenburg County. In addition, 384 companies (96%) were interviewed for the first time by *BusinessFirst Charlotte*. In 2008, we placed a special emphasis on small businesses, with over half of our interviews with firms that employ less than 20.

BusinessFirst Charlotte seeks feedback from a diverse array of businesses. Using the National Industrial Classification System (NAICS) code as a measure, *BusinessFirst Charlotte* interviewed companies from

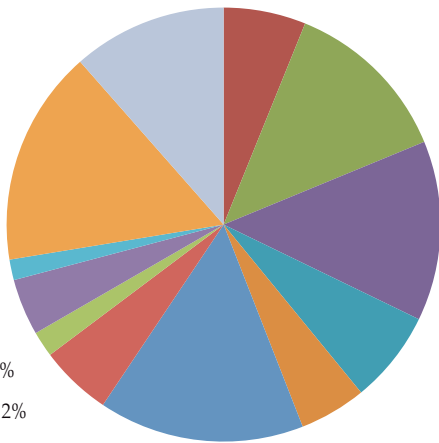
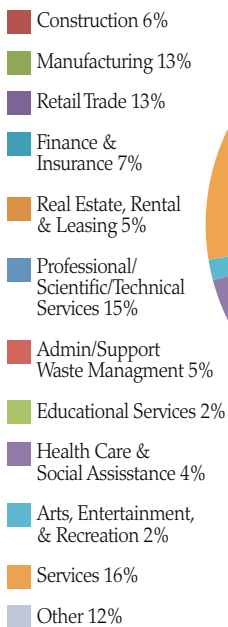
11 different industry classifications. The most frequently visited companies were classified as "Professional/Scientific/Technical Services," "Manufacturing" or "Retail Trade."

The main goals for BusinessFirst Charlotte are to:

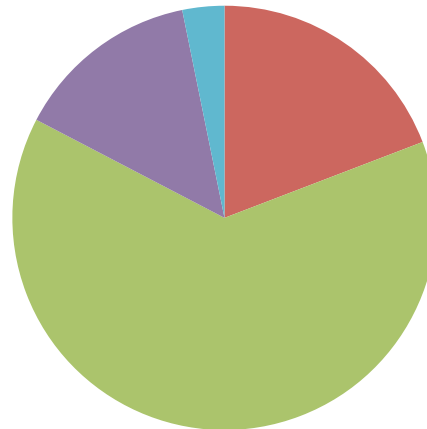
- » Thank businesses for operating in Charlotte
- » Assist existing businesses through our partners and resources
- » Assess the business climate at any given time
- » Evaluate the delivery of services in Charlotte/Mecklenburg
- » Build positive and meaningful relationships with companies

Businesses Interviewed

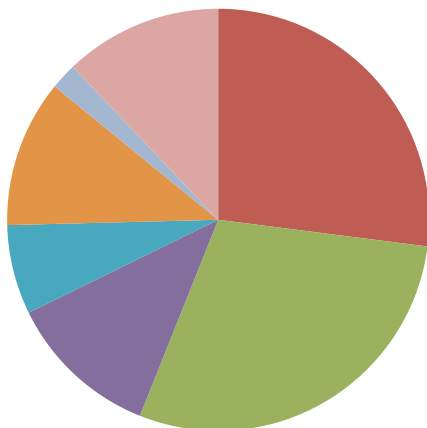
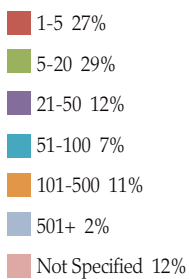
By Sector



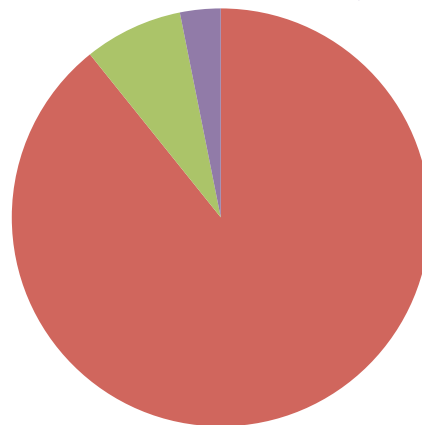
Companies rate the local business climate



By Number of Employees



Company attitudes toward the community



Ratings of Key Service Areas

THE BUSINESS RATINGS OF KEY SERVICE

Areas include opinions of business leaders interviewed from January, 2008 — December 15, 2008.

The most favorable rankings were received for basic public services provided to the community; emergency services, utilities, public water/sewer, etc. Similar to our findings in our 2007 report, business leaders rate the state and local tax burden, public education, roads and building permitting as the top challenges facing our community.

Highlights include:

Top Business Positives

Rated by percentage of respondents rating excellent or good

Fire/Emergency Services	72%
Airport	72%
Phone/Internet/Broadband Availability	69%
Utility (Electric)	69%
Utility (Gas)	68%
Public water/sewer	67%
Workforce quality	66%
Colleges/Universities	65%
Cultural/Recreational Amenities	64%
Police Protection	63%
Housing	63%

Top Business Challenges

Rated by percentage of respondents rating poor

Local Road Networks/Condition	27%
Interstate Highway System/Condition	20%
State Tax Structure	19%
Local Tax Structure	16%
Building Inspection/Permitting	15%
K-12 Education	12%
Public Transportation	12%
Workforce Availability	11%
Local Government	9%



Year-over-year highlights:

Mover — Positive: Airport

The growth of Charlotte Douglas International Airport remains an important driver of our economy. And with good reason... as a major hub for US Airways, Charlotte Douglas became the 9th largest in the country, serving more than 33 million passengers with non-stop service to 134 destinations — an important consideration for businesses locating and remaining in Charlotte. Other notable improvements:

- » A new, third parallel runway is paved and scheduled to open in 2009
- » US Airways announced daily non-stop service to Paris beginning in Spring of 2009

2007 top challenges

- » Local road network/conditions
- » Interstate highway system
- » K-12 Education
- » State tax structure
- » Local tax structure

2008 top challenges

- » Local road network/condition
- » Interstate highway system/condition
- » State tax structure
- » Local tax structure
- » Building inspection and permitting

Key Focus Areas Update

BUILDING PERMITTING AND LAND

Development Process: In 2008, the Charlotte Chamber and the local chapter of the National Association of Industrial and Office Properties (NAIOP) have hosted two forums with the City and the County to discuss development challenges with the building permitting and inspection process. There have been several significant improvements made in the last year including:

- » Implementation of a one-stop center for City permitting activities;
- » Implementation of a County gatekeeper checklist to assist developers with plan submittals;
- » Expansion of the city's expedited review program;
- » Creation of an annual users conference and a biennial customer survey to receive improvements feedback from customers.

In 2009, look for expansion of the City and County's capacity for electronic plans submittal and a new County "Pass Rate Incentive Program" aimed at increasing the quality of the plan submittals.

TRANSPORTATION AND ROADS: In May 2008, the City, County and Chamber each appointed seven members to a new "Committee of 21" aimed at finding solutions to Mecklenburg County's transportation infrastructure and funding needs. The Committee of 21 participated in the Chamber's 6th Annual Transportation Summit held in December and continues to advocate for Charlotte at the state level.

In 2009, the Charlotte Chamber's Legislative Agenda will support the expedited completion of I-485 and the accelerated completion of Charlotte's mass transit and light rail plan.

PUBLIC SAFETY: 2008 saw the arrival of a new police chief and the restructuring of the department to put 100 more officers on the streets of Charlotte. In July, *BusinessFirst Charlotte* met with Chief Monroe to discuss the crime issues affecting the business community. Since his arrival in Charlotte, overall property crime has decreased (17.9 percent in 3rd quarter and 25.8 percent in 4th quarter 2008). Chief Monroe has been a big supporter of business outreach, and his staff is eager to build relationships with local businesses.

STATE AND LOCAL TAXES: In 2008 the Charlotte Chamber successfully lobbied for no increase in corporate income tax. More specifically the Chamber secured clarification of NC's sales tax law on remanufacturing by a provision in the budget that provides a 1 percent privilege tax, with a cap of \$80.

In 2009, the Chamber will continue to support a reduction in the corporate income tax rate.



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- » Began construction of a new parking deck on Wilkinson and Harlee Ave opening in 2009
- » Added 48 recycling bins to the terminals and added glass and coffee ground recycling to its other green efforts.

Mover — Negative: Housing

The availability and affordability of housing in close proximity or easily accessible to business is an important factor for the overall health of the business community. Although 63 percent of respondents still think the housing market Charlotte is excellent or good, an increasing number (15 percent in 2007; 23 percent in 2008) rated housing poor or fair. The increasing concern regarding housing is a reflection of the overall economy.

Although Charlotte has not seen the foreclosures and housing crisis that many US cities are facing, the slumping economy has still affected the availability of housing. New home construction in Mecklenburg County is the lowest in a decade and the average sales price for a home fell nearly 18 percent from December 2007.

Success Stories

BUSINESSFIRST CHARLOTTE STRIVES to be a one stop solution to your businesses needs, effectively connecting your business to a network of community partners and resources. Below are several examples of how *BusinessFirst Charlotte* has successfully worked with businesses in 2008.

Sencera, a solar cell manufacturer located in west Charlotte, met with a *BusinessFirst Charlotte* volunteer and expressed concerns about recent incidents of vandalism and property damage. One call from *BusinessFirst Charlotte* resulted in a quick follow-up meeting with Charlotte-Mecklenburg Police, giving company officials and opportunity to voice their specific concerns to police. In addition to receiving helpful tips on safety precautions for businesses, **Sencera now has a relationship with their local patrol officers** and has seen an increased presence of patrolling police cars.

In 2008, a new **left-turn lane** opened on a busy stretch of Westinghouse Boulevard that provided a more convenient and safe way for employees and customers of chemical company **BASF** to access their parking lot. During a *BusinessFirst Charlotte* interview, company management listed this as his chief concern for this high speed trucking corridor. With no state funds available for the turn-lane construction, **BusinessFirst Charlotte identified an opportunity** with the developer of a construction project across the street resulting in the State's approval and acceptance of the new left-turn lane. BASF shared in the cost of this development planned across the street, but was able to provide a safer way for its employees to get to work each morning.

FDY, Inc., a 27-year local food service management company, participated in a *BusinessFirst Charlotte* interview and learned about various grant and loan programs offered by the City and State. Keith Haywood, Vice President of FDY applied for an Incumbent Worker Training Grant from the Department of Commerce to upgrade the skills of his employees in an attempt to grow and maintain a competitive edge. FDY, Inc. was awarded a grant of \$19,275 to train 40 employees. Additional conversations with the Charlotte Chamber led to **FDY opening the first airport-based Bojangles' restaurant in the country.**

"BusinessFirst Charlotte has provided our business with resources we didn't even know existed and in turn has made us a more successful company here in Charlotte."

In 2008, **Atando Business Park**, an older business park in north Charlotte, became a focus for *BusinessFirst Charlotte* after hearing from Beacon Partners, the business park owner, that its tenants were being impacted by property crime. After interviewing nearly a dozen companies in the business park, Beacon Partners and **BusinessFirst Charlotte hosted a tenant meeting** where over 30 business owners sat down with Police Chief Rodney Monroe and City Councilmember Michael Barnes to discuss ways **to collaborate on reducing crime in this area.** Attending with Chief Monroe were the officers directly responsible for patrolling the district. There were several positive outcomes from the meeting, such as improved communication between police and businesses, awareness of City financial programs for security improvements, and a promise to work together to combat crime in this area.

Our Partners include:

Central Piedmont Community College
Charlotte Area Transportation System
Charlotte Center City Partners
Charlotte Dept. of Transportation
Charlotte Mecklenburg Utilities
Department
Charlotte Mecklenburg Workforce
Development Board
Charlotte Regional Partnership
Charlotte Research Institute

Duke Energy
Electricities
Employers Association
EnergyUnited
JobLink Career Centers
Lake Norman Chamber of Commerce
Mecklenburg County
North Carolina Dept. of Commerce
North Carolina Dept. of Transportation

North Carolina Employment Security
Commission
North Carolina State Industrial
Extension Service
Piedmont Natural Gas Company
Queens University
Service Corps of Retired Executives
UNC Charlotte
US Small Business Administration

Looking ahead

WHAT'S AHEAD FOR *BUSINESSFIRST*

Charlotte in 2009? One thing: an intense focus on building relationships with and working on behalf of *Charlotte's* existing businesses. All indicators point toward a challenging year ahead of us. Since our 2007 Annual Report, there have been significant structural changes in our economic environment that will impact the local business climate, including:

- » The freezing of the lending market has slowed commercial development as developers struggle to find financing for office, multi-family and retail construction.
- » The sale of *Charlotte's* largest employer, Wachovia, to Wells Fargo will have significant economic consequences.
- » The dramatic realignment and shrinkage of the financial services sector, which has been one of *Charlotte's* key engines of economic growth.
- » Fluctuating fuel prices and the economic recession have impacted the airline industry, raising uncertainty about US Airways and its 6,000 *Charlotte* employees.

In times like these, *BusinessFirst Charlotte* will be ready to answer questions and provide connections to resources in our community to help local businesses weather the storm. We believe there are opportunities

for continued economic growth. Compared to other parts of the nation, *Charlotte* has enjoyed somewhat stable housing prices, moderate construction slowdown, relatively stable employment and reinvestment in the City's core and adjacent business corridors. Bank of America's acquisition of Merrill Lynch is a positive sign that *Charlotte* will continue to be a strong market for financial and professional services.

Now is the time for the *Charlotte Chamber* and the City of *Charlotte* to lay a foundation for the next wave of growth by understanding and responding to the needs of our existing businesses. Local government will work toward making business-friendly process improvements and updating plans for major employment centers such as the Center City and the University Research Park. The *Charlotte Chamber* will continue to focus on providing member value and being a voice for businesses in Mecklenburg County.

And each day, *BusinessFirst Charlotte* volunteers will continue to canvas our community, meeting face-to-face with local business executives, owners and key decision makers in a quest to keep *Charlotte* a great place to live and work.

Thank you to our volunteers

Volunteers who completed one or more visits in 2008

Kwame Alexander
Michael Barnes
Angela Beaver
Josh Chambers
Deborah Charles
Charles Collier
Heather Crutchfield
David Cunningham
Mark Decherd
Bob DeMers
Mark Dorsett
Dedra Ellis
Natan Feldman
Colleen Forte
Joe Gass
Pam Goble
Laura Greeno
David Hall
Reid Hayes
Anthony Herring
Dana Hicks
Dawn Hill
Susan Hornsby
Noel Humphreys
Barb Jespersen
Matthew Kalajian



Chad Kupreanik
Andrew Laing
Wade Leaphart
Kathy Lee
Hector Lopez
Charles Michaels
Jason Mink
Marlon Nesbeth
Eric Parris
Pepper Pounds
Ernest Rodriguez
Benjamin Rojahn
Glen Schaaf

Cynthia Scott
Sonja Shreve
Elina Smith
James Smith
Stephen Sorenson
Michael Turner
Susan Twyman
Karen Ward
James Warder
Laura Waring
Lamar Wilson
Zack Wyatt

Thank you to our participating businesses

11 Giraffes
704online.com
About Town Tours, LLC
Accurate Staffing Consultants Inc
ACN Inc
AdvantaClean Emergency
Services of Charlotte
Affordable Fire Protection, Inc.
Aladdin Graphics, Inc.
All-Stars Communication
Allegiance Home Care
Allison Fence Co. Inc.
Allstate
Alltel Communications
American Products Distributors Inc.
American Tire Distributors, Inc.
AMLDCO, Inc.
Apartment Homes TLC
Arbor E & T
AREVA NP
ArrowPoint Capital Corporation
Art Glassworks Studio
ASAP Dry Cleaners —
DSMA Enterprises
ASIC LLC
Assurance Insurance
ATCOM Business Telecom Solutions
ATD Computer Solutions
Athletes United for Youth
Austin & Associates
B and R Body Shop
B&H Foods, Inc
Bank of America
Best Buy
BI-LO
Billy Graham Evangelistic Association
bloom
Blue Nine Partners Inc
Blumenthal Qualitative Reseach
Bluto Builders Inc.
Bonsal American, Inc.
BRAVO! Cucina Italiana
Brio Tuscan Grille
Brooks Equipment Co. Inc
BROW LLC
Brown & Alexander PLLC
Bull Engineered Plastics
Burlington Coat Factory
Can-Am Custom Trucks, Inc.
Carolina Rim & Wheel
Carolinas HealthCare System
Carolinas Medical Center
Carowinds
Cassie's Coupon Corner
Celgard, LLC
Center City Realty
Charlotte Business Journal
Charlotte Honda
Charlotte Pipe & Foundry Co.
Charlotte Regional Visitors Authority
Cheddars
Childress Klein Properties
Cinda Corporation
Cinderella Cleans
City Chevrolet
City Wide Maintenance of Charlotte
Clarence Village
Classic Sheds of Lake Norman
Cloud 9 Confections
Cogdell Spencer Inc
Cogentrix Energy
Coleman Lew & Associates Inc.
Compare Foods
Corder Philips
Coverall Cleaning Concepts
Coxe Formal Wear
Cracker Barrel Old County Store

Crohns & Colitis Foundation
of America
Crown Cab Company
CSX Corporation
Curtiss-Wright Controls Inc
Custom Glass Works
D.L. Phillips Investment
Builders, Inc.
DaVita — North Charlotte Dialysis
Decor & You
Deloitte
DesignLine International
Holdings, LLC
Dexterity
Dick's Sporting Goods
Digital Sabre Solutions LLC
Dillard's — Carolina Place
Dillard's — Southpark
DSC Logistics Inc.
Duff-Norton Co., Inc.
Duke Energy Corporation
E. Moore & Sons Electric Inc.
ecoSeat
ECS Carolinas, LLP
Ehren-Haus Ind. Inc.
El Pulgarcito de America Restaurant
Electrical Consulting Engineers
Empire Business Brokers
Empowerment Exchange
Encore Bistro & Bar
Epiphany Shoes
Express Personnel Services
Fairpoint Communications
Falcon Metal Corporation
Family Dollar Stores Inc
Fashion Florists
Federal Reserve Bank of Richmond
Ferguson Supply & Box Mfg. Co.
Final Edit
Financial Freedom Planners
Firebirds Rocky Mountain Grill
Firestone
First Millennium Janitorial
Service, Inc
First Residential Mortgage
Services Corp.
Five Points Realty
Fleming Enterprises & Services
FlowCon Americas, LLC
Gaffney Health Services
Garrity & Gossage LLP
GE Money
General Dynamics Armament and
Technical Products
Gerdau AmeriSteel Corp.
Get the Lead Out LLC
Global Medical Imaging LLC
Global Networkers, Inc.
Global Recycling Incorporated
Globe Express Services
goodmortgage.com
Goodwill Industries of the
Southern Piedmont
Greater Enrichment Program, Inc.
Green Group, Realtors
Greenwave Satellite Enterprises
Habitat for Humanity of Charlotte
Happy Box Architecture
Harris Development Group LLC
Havoline Fast Lane
HB Cantrell & Co Insurance
HDR Engineering
Healthcare Resource Assocs
Inc./HRA
Heels.com
Helium & Balloons Across America
Heritage Printing & Graphics

Hess Tire and Auto
Hines
Hispanic Scholarship Fund
Home Care for the Carolinas
Home Health Enterprises, Inc
Hunter Roberts Construction Group
Infinity Engineering Group PLLC
Inspire Marketing, PR & Sales, Inc.
Ira L. Griffin Sons, Inc.
iVerify
Jafrum International Inc
Johnny's Country Kitchen
JP Morgan Chase & Co.
JStengel Consulting LLC
Just Workout
K.M. Hughes & Associates, Inc.
KD Financial Services
King Machine
Kohl's Department Store
Kokomos Coffehouse, LLC
Laboratory Corporation of
America Holdings
Legacy Real Estate
Level Management Partners Inc.
Leverage Lending Group LLC
Lewis Scully Gionet
Little Italy Restaurant
Loving Touch Adult Day Care
LPL Financial
LS3P Associates Ltd.
Macsteel
Maersk Line
Magnolia Marketing
Massage Heights
MassMutual
Matthews Tennis Swim & Golf
McCormick & Schmick's
McCoy Hardware Store
McDonald's
McGrann Paper Corporation
Mexico USA Express
Midwood Cleaners, Inc.
Millennium 3 Design Group
Mom and Pops
Murray Supply
My Little Blessing Daycare
National Gypsum Co.
Neighboring Concepts
New Forum
Northward of NODA
Nu-U
NuLevel Strategic Solutions
NuVision Engineering
Office Environments
Olive Garden Italian Restuarant
Optical Experts Manufacturing
Orisis
Overflow Corporation
Paradox Films, Inc.
Pearl Limousine & Transportation
Company
Penny Pinchers Mini Storage
Pet Supermarket
Piedmont Private Investigations Inc.
Pinstripe Incorporated
Plasti-Vac, Inc.
Platinum Communications
Praxair Surface Technologies
Pressed 4 Time
Prestige Insurance Agency
Prevoyance Group Inc.
Principal Financial Group
Providence Real Estate Advisors
Pupusa Heat Restaurant
Puroclean
Quality Family Services

RDS Electrical Contracting
of Charlotte, LLC
Recognition Plus
Red Moon Marketing Inc
Red Pepper Graphics
Red Roof Inn
Red Ventures
Regus
Reintegration Targeting, Inc.
Renaissance Charlotte Southpark
Republic Crane
Revolutionary Concepts INC
Richard L Robertson & Associates
Rite Aid Pharmacy
RNS International
Rooms To Go
RP Signs
SANDirect.com
SB Data Inc
Schaefer Systems International, Inc.
Sencera
Senior Villages
Shelter Health Services
Shepard Exposition Services, Inc.
Shutterfly Inc.
Smithfield Foods/Stefano Foods
Snelling Staffing Services
SOI Holding Inc.
Sona MedSpa
Southern Converters
Specialty Valve & Controls
spirit Telecom LLC
St. Paul Baptist Church
STV/Ralph Whitehead
Associates Inc.
Success Virtual Office Services
Superior Fitness Systems Inc
Superior Mechanical Systems, Inc.
Team SESCO
The HR Group, Inc.
The Linda Construction Company
The Nichols Company
The Q Foundation
The Schneider Corporation
Thompson Financial Group
Three Little Birds
TITAN Technology Partners
TnT Solutions
Tropical Concepts
Truliant Federal Credit Union
Tucker Tax
Tucker-Kirby
Ultimate Gym
United Laser
University Child Development
Center Inc.
Vanderhall & Alexander
Constructors, LLC.
Vector Electric Company
Vela Delight
Velocity Tax Services
Wachovia Corporation
Wade Capital Partners
Walbridge Southeast
WealthPlan Financial Partners
Welch Hydraulics
West End Seafood Market
Wiallian & Company Inc.
Winner Plus Agency
Wireless Communications Inc.
Wolf Camera
Woodlands
WRG Design Inc.
XO Communications North Carolina
Yandle-Witherspoon Inc
YAP
Zoom Impressions