



Charlotte City Council
Jobs & Economic Development Committee
Meeting Summary
November 4, 2024

COMMITTEE AGENDA

- I. Providence Square Introduction
 - II. Business Recruitment
-

COMMITTEE INFORMATION

Meeting Duration/Location: 12:00 p.m. – 1:30 p.m.; CH-14, CMGC

Committee Members

Present: Malcolm Graham, Chair
James Mitchell, Vice-Chair
Tariq Bokhari

Participated virtually: Marjorie Molina, Committee Member; Dante Anderson, Mayor Pro Tem

Staff Resource(s): Tracy Dodson, City Manager’s Office
Todd DeLong, Economic Development
Alexis Gordon, Economic Development

DISCUSSION HIGHLIGHTS

What follows is a high-level summary of the meeting. Verbatim comments, specific questions and answers may be found by viewing the [City’s YouTube page](#).

Council member Graham called the meeting to order, asked everyone to introduce themselves, and provided an overview of the agenda.

Providence Square Introduction:

Potential public private partnership opportunity of 113-acre along Providence Road involving three coordinated rezoning efforts:

- Levine Properties - 85 acres designated for a mix of uses, including grocery, retail, office, recreation/daycare, townhomes, workforce housing, and market-rate multifamily units.
- Northwood Ravin - 20 acres planned for townhomes and market-rate multifamily units.

- Horizon Development Properties - 8 acres dedicated to affordable housing alongside market-rate multifamily units.

The proposed development aligns with key City objectives by:

- Contributing to housing goals, including workforce and affordable housing.
- Supporting MWSBE inclusion.
- Enhancing sustainability efforts and environmental goals, along with provisions for open space and parks.
- Improving public safety through potential collaboration with Charlotte Fire Department (CFD).
- Boosting mobility and accessibility with new connections between Providence Road, Sardis Lane, Old Providence Road, and other surrounding areas.

The project includes significant upgrades to increase safety and accessibility along a 2.1-mile stretch of Providence Road.

Proposed transportation enhancements include:

- New traffic signals, medians, lane modifications, and upgraded pedestrian crossings.
- Planned reimbursements for these upgrades through tax increment grants (TIGs).

The developers estimate contributions of approximately \$48.6 million and are seeking support from the City and County through TIGs up to \$19 million. At current tax rates, the breakdown of support is:

- City: \$6.8 million
- County: \$12.1 million

The Tax Increment Grant Policy provides reimbursement on a basis of new incremental taxes generated in a designated increment area, supporting grants up to 45% or 90% of incremental taxes for up to 10 years based on priority and need. Annual property tax allocations across all projects can exceed 3% in certain cases.

The project anticipates generating approximately \$550 million in new taxable value upon full build-out. The proposed terms involve 45% of incremental taxes over a 15-year period, not to exceed \$19 million (plus interest) from both City and County. The developers will be responsible for any cost overruns.

Timeline and Next Steps

- November 7: Project discussion scheduled for the Zoning Committee meeting.
- Mid-November: Follow-up presentation to County Board.
- December 16: Potential rezoning decision.
- December: Further committee discussions on TIG, with a potential future Council decision based on these discussions.

Business Recruitment:

Over the past five to six years, despite challenges like the pandemic, elections, and changes in the job market, Charlotte's business recruitment landscape has remained robust. Our success in attracting, retaining, and expanding both large and small companies is driven by strong relationship-building efforts. The City of Charlotte has achieved a 15% job growth rate, with the Charlotte MSA experiencing a 13% increase in job change. Notable wins include 540 completed projects, with key highlights such as TTX (Logistics, 150 jobs), Lowe's (Technology, 1,912 jobs), Honeywell (Technology, 750 jobs), and AvidXchange (Technology, 2,116 jobs).

Trends in Business Recruitment

Several noteworthy trends are shaping Charlotte's business recruitment efforts. There has been an uptick in advanced manufacturing; however, job growth in this sector is moderating as companies increasingly adopt robotics and advanced machinery. The Life Sciences sector has also shown a strong increase in RFI activity, with The Pearl projected to further elevate Charlotte's standing in this industry.

Charlotte is highly attractive to young professionals, ranking as a top-five city for those seeking dynamic places to live, work, and play. Other advantages include a 3% lower cost of living compared to the national average and superior airport connectivity; Charlotte Douglas International Airport is the 7th busiest globally. However, office vacancy remains an ongoing challenge across all submarkets, with remote work trends persisting. Approximately 78% of the pre-pandemic workforce has returned to in-office work, while around 60% of pre-pandemic leases have since expired.

Foreign Direct Investment (FDI) Overview

Charlotte's FDI landscape is vibrant, with over 1,000 international businesses from 40+ countries employing around 80,000 people. Since 2017, this has translated to roughly \$1.9 billion in investments and contributed to over 15% of U.S. exports from the Charlotte region. Companies like DHL, BMW, Siemens, Daimler Truck, Ahold Delhaize (Food Lion), and Rexroth play pivotal roles. Germany leads our foreign investment, contributing approximately 25% of FDI and jobs, and Charlotte is home to over 1,200 German residents. Recent FDI projects include Alpitronics, Siemens, Bosch Rexroth, Perma, Haas Multigrad, Colquimica Adhesives, Brinox, Viscon, MS Xtec, Cargo Modules, Zoluziones, Volo, and Doleco.

International Company Tracking

Key international companies tracked in Charlotte include Siemens, which maintains the city's largest international footprint and is currently expanding, IRCAD, which recently established its North American headquarters at The Pearl as a French-based research and training center for leading surgeons, and BMW, with its substantial manufacturing plant in Spartanburg, supported by a \$1.7 billion expansion investment in South Carolina.

Upcoming Germany Trade Mission

An upcoming trip to Munich will focus on engagements with German companies exploring relocation or expansion into North America. This mission includes an investment roundtable, organized by Moore Van Allen and Parker Poe and hosted by Bavarian Industry, and outreach to local German businesses in collaboration with Mecklenburg County. Business Recruitment partners such as EDPNC, Charlotte Alliance, and Charlotte Center City Partners will also participate in this strategic initiative.

The meeting adjourned at approximately 1:00 p.m.
The next meeting is scheduled for December 2, 2024.

MEETING MATERIALS

All meeting materials are available on the [Charlotte Legistar Site](#) or viewed on the [City's YouTube page](#).



PROVIDENCE SQUARE REDEVELOPMENT

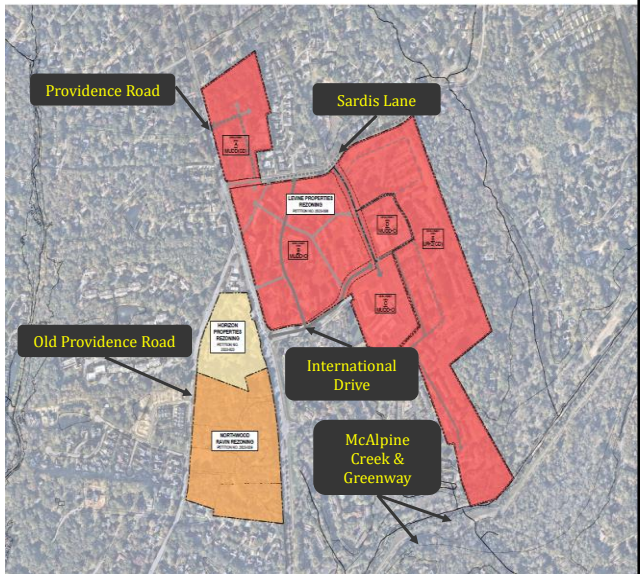
JOBS AND ECONOMIC DEVELOPMENT COMMITTEE

NOVEMBER 4, 2024

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Overview

- ◀ Unique revitalization of 113 acres along Providence Road
- ◀ Walkable restaurants, entertainment, services, enhanced open spaces, and direct greenway access for nearby residents
- ◀ New mixed income housing and commercial uses supporting 10-minute neighborhoods



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Redevelopment Overview

Coordinated rezonings

Levine Properties (~85 acres)

- Grocery – 100k SF
- Retail – 80k SF
- Office – 45k SF
- Recreation/Day Care – 28k SF
- Townhomes – 125 d/u
- Workforce housing – 108 d/u
- Market rate multifamily – 879 d/u

Northwood Ravin (~20 acres)

- Townhomes – 95 d/u
- Market rate multifamily – 650 d/u

Horizon Development Properties (~8 acres)

- Affordable housing – 75 d/u
- Market rate multifamily – 305 d/u



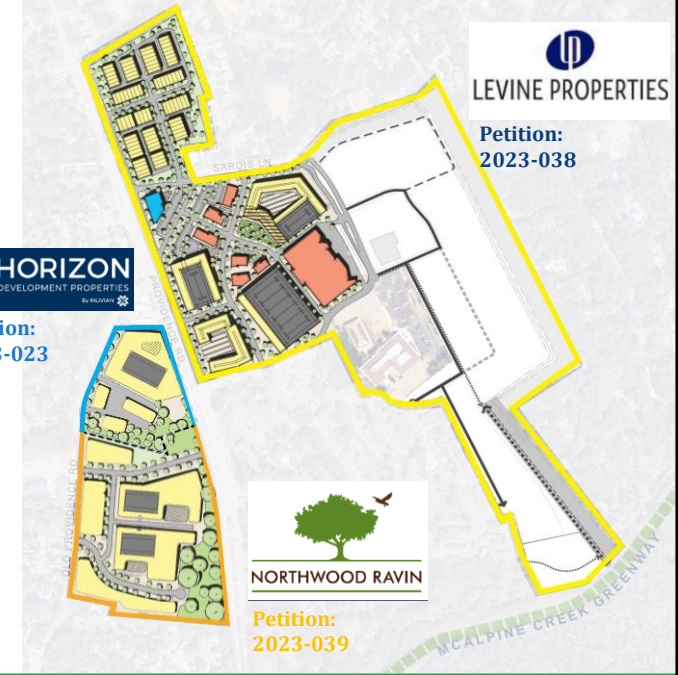
Petition:
2023-023



Petition:
2023-038



Petition:
2023-039



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Overview of Public Benefits

Supports housing goals

- 108 workforce units at 80% of AMI (Levine site)
- 75 affordable units at 30-60% AMI (Horizon site)

Supports MWSBE inclusion

- Minimum proposed target of 15%
- *Staff analysis and goal setting still required*

Supports sustainability & environmental goals

- Stabilized water/sewer usage, mobility hub/Electric Vehicle charging, ped/bike facilities

Supports open space & park initiatives

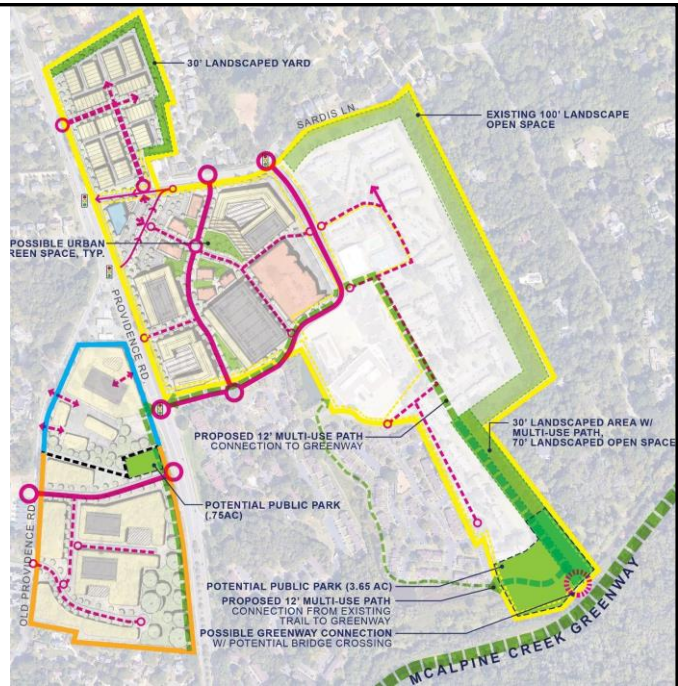
- 4.4 acre park land donation
- Monetary contribution to park activation (\$1M)
- Greenway bridge and multi-use path and trail improvements

Supports public safety

- Partnership with CFD

Supports increased mobility & accessibility

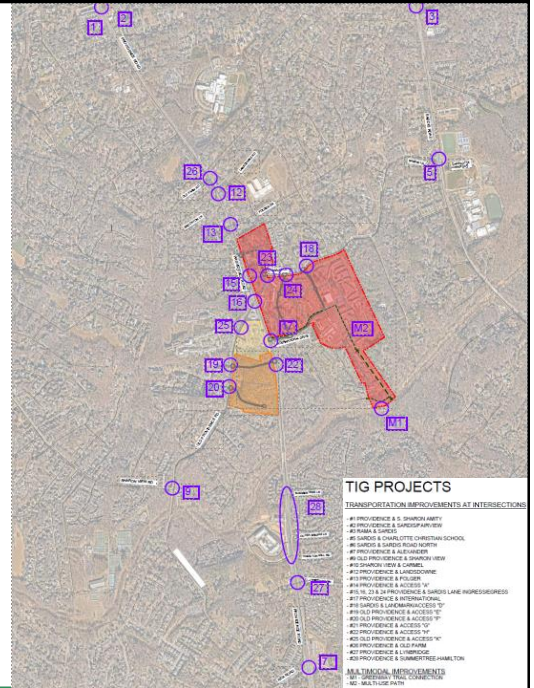
- Connections between
 - Providence Road and Sardis Lane
 - Old Providence Road and Providence Road



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Traffic Mitigation & Transportation Improvements

- ◀ **Providence Road corridor and additional access management**
 - 2.1 miles of corridor improvements
- ◀ **New traffic signals, medians, lane modifications, new and upgraded pedestrian crossings**
 - Signalization modifications/additions increase safety
- ◀ **Increased connectivity**
 - Providence Road and Sardis Lane
 - Providence Road and Old Providence Road



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Proposed Public/Private Funding Allocation

Uses

Park Land Donation (+/- 4.4 acres)	\$2,900,000
Park Activation Contribution	\$1,000,000
Multi-Use Path Connecting McAlpine Creek to Mixed-Use Village	\$3,000,000
Multi-Use Path Spanning McAlpine Creek and Connecting to Greenway	\$2,500,000
Contribution to Walking Trails	\$250,000
Workforce Housing – Value of New Units	\$9,800,000
Providence Road & Other Off-Site Public Street Improvements	\$12,500,000
Providence Road Corridor Access Management Improvements	\$2,200,000
Additional New Public Network Road and Pedestrian Infrastructure	\$33,500,000
Fire Station	TBD
Total - Uses	\$67,650,000

Sources

Developer Contributions	\$48,650,000
Infrastructure Improvements - City TIG	\$6,877,839
Infrastructure Improvements - County TIG	\$12,122,161
Total - Uses	\$67,650,000

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Tax Increment Grant Policy

- ◀ Grants are made on a reimbursement basis only based on new incremental taxes within a defined increment area
- ◀ Justification of use – “Public Purpose”
 - Infrastructure investment
 - Gap financing
 - Public asset/building
- ◀ Traditional grant terms
 - 45% or 90% of incremental taxes
 - Up to 10 years
 - *Have gone longer depending on need and priority*
- ◀ Capacity
 - Aggregate of all projects is limited to 3.0% of the annual property tax levy of any given year



Proposed TIG Terms

◀ \$550M – incremental tax base created by build-out (~2033)

- ~\$1.7M of annual incremental City tax revenue
- ~24M in net incremental tax revenue over 20 years (net of TIG payments)

◀ TIG Terms:

- 45% of incremental taxes
- 15 years
- Not to exceed \$19M (plus interest)
 - *City - ~\$6.87M*
 - *County - ~\$12.12M*
- Developer responsible for any cost overruns
- Leverage ratio (City) – 1:80

◀ Developers supporting \$48.95M in public infrastructure and investments in open space, green way, and other community amenities

Schedule

◀ P3 proposal introduced to County's Economic Development Committee on 10/15

- Follow up presentation planned for mid November
- Potential BOCC decision in early December

◀ Potential City schedule for review, discussion, and decision

- Rezoning
 - *Zoning Committee – 11/7*
 - *Rezoning Decision – 12/16*
- TIG Decision
 - *December Committee Meeting*
 - *Future Council Decision - TBD*

COMMITTEE DISCUSSION

Business Recruitment Update

JOBS & ECONOMIC DEVELOPMENT COMMITTEE | NOVEMBER 4, 2024

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Agenda

- ▶ Overall
- ▶ Foreign Direct Investment (FDI)
- ▶ Germany Connectivity

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Overall Business Recruitment (2018 – 2024)

- ▶ **City of Charlotte Job Change: +97,065 (15% Growth Rate)**
- ▶ **Charlotte MSA Job Change: +173,577 (13% Growth Rate)**
- ▶ **Project Announcements: 540 Projects Won**
- ▶ **Notable Project Wins:**

Company	Industry	Job Count	Investment
TTX	Logistics	150	\$16.3M
Lowe's	Technology	1,912	\$153M
Honeywell	Technology	750	\$84.2M
AvidXchange	Technology	2,116	\$42M

Overall Trends

- ▶ **Advanced Manufacturing:**
 - Uptick in RFI activity especially with clean energy and R&D
 - Job Numbers are trending downward as technology innovation, robotics, and advanced machining are significant factors
- ▶ **Life Sciences:**
 - The Pearl is a great story that will help uplift Charlotte in this industry.
 - RFI's are heavy in pharmaceutical and BioTech. This requires specific infrastructure that the ED team is working on with the Planning team.
- ▶ **Talent In Charlotte:**
 - Our city is recognized as a top 5 city for where young professionals want to live, work, and play.
 - Top 10 city for worker migration.
 - 1.47M regional workforce
- ▶ **Other:**
 - Cost of Living - Charlotte has a 3% lower cost of living than the national average
 - Airport Connectivity - 180 nonstop destinations; 36 international destinations, 7th busiest airport in the world; 5% of the state's gross product.

Charlotte Office Vacancy

- ▶ **Charlotte overall office vacancy rate for Q3 was 22.5%. Down from 25% in Q2.**
- ▶ **Near 78% of pre-pandemic workforce has returned to office in uptown, south end, and portions of the University area.**
- ▶ **Slowness is due to:**
 - Remote-work remains steadfast.
 - Absorption is significantly smaller than in the past with many companies opting for smaller footprints. In the same vein, companies are still shedding SF to accommodate flex scheduling.
 - 60% of leases signed pre-pandemic have since expired.

International Fortune 100 Companies

- More than 1,000 International Businesses
- More than 40 Countries
- More than 80,000 people employed by foreign firms
- \$1.9 billion of investments since 2017
- +15% US exports from the Charlotte region since 2017



SIEMENS

DAIMLER
TRUCK

rexroth
A Bosch Company



Top International Companies In the Charlotte Region

COUNTRY	# OF COMPANIES	TOTAL REGIONAL EMPLOYMENT
Germany	215	19,941
United Kingdom	121	7,914
Canada	98	4,735
Japan	88	8,683
Italy	68	2,432
Switzerland	60	4,073
France	56	4,049
China	49	2,784
The Netherlands	46	4,449
Sweden	37	3,462
Ireland	25	4,197
Other	174	13,574
TOTAL	1,030	80,533

Recent FDI Project's to Charlotte

- ▶ Alpitronics
- ▶ Siemens
- ▶ Haas Multigrad
- ▶ Bosch Rexroth
- ▶ Perma
- ▶ Colquimica Adhesives
- ▶ Brinox
- ▶ Viscon
- ▶ MS XTEC
- ▶ Cargo Modules
- ▶ Zoluxiones
- ▶ Volo
- ▶ Doleco

International Companies We Track

- ▶ **Siemens** – With a large footprint in Charlotte. Siemens recently announced an expansion of their existing facility to manufacture large powered transformers. Creating 475 high paying jobs in Charlotte.
- ▶ **IRCAD** – The French based research and training institute for the world’s finest surgeons chose the Pearl for it’s North American Headquarters.
- ▶ **BMW** – Large manufacturing plant in Spartanburg, S.C. and a new battery assembly plant in Woodruff. In 2022 BMW invested 1.7 billion to expand in S.C.

Germany Connectivity

- ▶ **Events planned in Germany with German companies who are interested in relocating / expanded footprint to North America**
- ▶ **Moore Van Allen and Parker Poe are coordinating our investment roundtable. It will be hosted by the Bavarian Industry Association**
- ▶ **The City of Charlotte partnered with Mecklenburg County on outreach to our local German companies. Extending invitations to business events planned for the upcoming trip to Germany**

Germany Connectivity

How We Work With Partners

- ▶ The City of Charlotte has a strong coalition of partners who work together to showcase why Charlotte is a prime spot to start a North American footprint.
- ▶ The Charlotte Business Regional Alliance, Economic Development Partnership of N.C., and Charlotte Center City Partners are just a few of our business recruitment partners.
- ▶ Charlotte is home to over 1,200 German born residents. This community plays a huge role in getting the word out to German companies about why Charlotte is a terrific city for business and a great place to call home.

Questions