

KANNAPOLIS



# City of Kannapolis Economic Development Plan

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City Manager's Office  
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# I. Background and Historical Context

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In 1906, James William Cannon bought several farms to build Cannon Mills Company. Under the guidance of James Cannon's son, Charles, Cannon Mills became the world's largest producer of household textiles and a household name. Kannapolis was built as a well-planned, self-sufficient mill village. In 1982, California financier David Murdock took over Cannon Mills. 1985 Cannon Mills merged with Fieldcrest Mills Inc. creating Fieldcrest-Cannon. In 1984, the citizens of Kannapolis voted to incorporate, transforming the largest unincorporated area in the United States into the 16th largest city in North Carolina. In 1997, the Pillowtex Corporation purchased Fieldcrest-Cannon.

In 1998, City leaders launched an 18-month visioning process, "Weaving a Shared Future." In this process, a community vision emerged to become "the most dynamic and desirable community in the Piedmont that is attractive to families, loved for its neighborhoods, appreciated for its uniqueness and respected for its contribution to the economic vitality of the region." That broad vision is still valid today and should be viewed as a substantial foundation for new economic strategies.

The history of Kannapolis entered a new era on July 30, 2003 when Pillowtex closed its worldwide operations. As the company's headquarters, the City became the center of the largest lay-off in North Carolina history. Of the total displaced by the Pillowtex closure, 3,984 of the employees lived in Rowan and Cabarrus counties and approximately 1,500 within the city limits of Kannapolis.

In September of 2005, David Murdock, the City of Kannapolis and the University of North Carolina system announced the North Carolina Research Campus (NCRC). Mr. Murdock, also sole owner of Dole Food Company and a strong advocate for nutrition and healthy lifestyles, hatched this breathtaking plan in partnership with the City and the University of North Carolina System to redevelop and transform downtown Kannapolis and the overall economy of Cabarrus and Rowan counties.

The NCRC is a planned \$1.5 billion bioscience research complex of massive proportions. In fact, its design and conception is unique in the general industry and biotechnology sectors. Eventual plans for the Research Campus include seven universities (already in place), ultimately more than 100 biotech and life science firms, civic uses, and retail and residential development. The development, began with the removal of huge amounts of obsolete textile manufacturing space, encompasses the entire downtown of Kannapolis, making it one of the largest urban redevelopment projects on record in the United States.

The findings of a City-commissioned Economic Impact Assessment pointed to the potential for the NCRC to be a major economic engine for the region with an estimated 37,450 jobs created by 2032 (13,616 in Cabarrus and 4,520 in Rowan County) with more than 5,000 jobs on the campus proper. By comparison, Cabarrus County's largest current employer, CMC-Northeast employs a little more than 4,100 people.

Cabarrus and Rowan counties have endured tremendous changes in the past five years. The closure of Pillowtex, job losses at the Freightliner complex, the mothballing of the Corning facility, the merger of NorthEast Medical Center with Carolinas HealthCare System, the Philip Morris closure and the CTC merger with Windstream have impacted our collective economic health. Never before has there been as much of a need for a new approach to economic sustainability as there is now in our region.

The past decade has been especially challenging economically for the City of Kannapolis. In addition to the closing of Pillowtex, the City has endured two major droughts that set economic growth back through freezes on development; several major storm and flooding events; and the Great Recession of 2008-2011. During this time, parts of Kannapolis' local economy have prospered; parts have struggled to survive; and parts have suffered greatly. Downtown has declined significantly over the past decade due to many factors. The real estate, construction and land development industries have been set back considerably.

Of course all of the news is not bad. Kannapolis is now a thriving city of more than 44,000 people located along the I-85 corridor in the Charlotte-region of North Carolina. Kannapolis' success is largely dependent on the Charlotte economic influences and it continues to boom. The motorsports industry continues to grow and the Cabarrus-Rowan region continues to attract small and medium sized businesses and industries. Most important, however is the NCRC. Coupled with the motorsports industry and tourism, the NCRC will certainly be a major part of the changing economic engine for the Cabarrus-Rowan region. The uniqueness of the NCRC and the size of its anticipated impact make it imperative for local governments and regional entities to plan for its arrival in order to maximize its potential. In addition to the development of the North Carolina Research Campus, the City is still growing, residentially and commercially. Significant investments have been made at or near I-85 Exit 54 (Afton Ridge/Gateway Business Park) and Exit 60 (NorthLite). Exit 63 has experienced significant change as well (City purchase of the Baseball Stadium, CMC-Kannapolis construction).

Regarding quality of life issues, the City's crime rate continues to remain lower than most cities our size. Several new parks and greenway investments have been made and the use of these facilities is booming. Fiscally, the City has weathered the past decade without mass layoffs, furloughs or other drastic cuts in services.

Kannapolis is also a changing City. The City remains in the top 20 most populous cities in the State. Kannapolis grew 15.5% since 2000. Housing is now 37% renter occupied, compared to 33% in 2000. Most urban areas in North Carolina carry about 1/3 of its housing stock as rental properties. Growth in rental properties can be a positive provided that they are either well maintained by the property owner or they are new units as part of multi-family complexes with on-site amenities.

The City's minority populations are the fastest growing groups. The non-Hispanic white population of Kannapolis decreased from 2000 to 2010; it is now 65% of total population, compared to 75% in 2000. The median age of Kannapolis also changed over the past decade

(35.6 in 2010, vs. 36 in 2000). The Kannapolis median age in 2010 was lower than in Cabarrus County (36.7) and the U.S. (37.2).

Kannapolis is both older and younger at the same time. Approximately 18% of the City's population is older than 60 (larger than Cabarrus County as a whole, but similar to the U.S. average). Conversely, approximately 45% of the City's population is under the age of 35 (larger than both Cabarrus and the U.S. average).

The City has seen a number of economic development successes since incorporation as a City in 1984 (beginning with the act of incorporation itself):

- Establishment of Minor League Baseball
- Liquor by the Drink referendum overwhelmingly passed
- Creation of the Water and Sewer Authority of Cabarrus County
- Western Area Annexation Plans
- Weaving a Shared Future Vision Plan
- Rebuilding our Identity/Investment in Marketing
- Establishing a City Parks and Recreation Department
- Construction of the Kannapolis Train Station
- Property purchases from Atlantic American Properties
- Establishment of professional Fire Department
- Construction of Kannapolis Gateway Business Park
- Water Treatment Plant Expansion
- Merger of the Kannapolis and Cabarrus chambers of commerce
- Establishment of Public Transit
- Concord Annexation Agreement
- Facilitating Western growth via major utility and transportation investments
- Kellswater/Rogers Lake Road Extension
- Inter-basin Transfer (IBT)
- Pillowtex Closure (seizing opportunity for initial re-education and workforce retraining)
- NCRC Development and "TIF" Bonds
- Attention to Environmental Stewardship/Curbside Recycling
- Albemarle Waterline
- 2012 City Council Economic Development Summit

These historical economic successes should provide a high level of confidence in moving forward with most of the strategies included in this Plan.

## II. Economic Assets

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At its 2012 Economic Development Summit, the Kannapolis City Council documented what it believed was the City's economic assets. These assets should be viewed as the foundation for new investments, initiatives and programs to further the economic growth and prosperity of the City. This list is presented nearly verbatim from the Summit brainstorming session.

1. **North Carolina Research Campus.** University jobs in middle of town
2. **Good recreation and cultural assets.** Recreation opportunities, parks, library, greenways, concerts in the park, minor league baseball.
3. **Central location.** Good access to Charlotte and the metropolitan region.
4. **Excellent interstate access and transportation network.** Five I-85 interchanges. Connections to I-77. Kannapolis Parkway.
5. **Strong regional economy.**
6. **Unique history.**
7. **Small town charm.**
8. **Health and nutrition assets.**
9. **Strong medical services community.**
10. **Safe community** including low crime rates.
11. **Abundant development opportunities.**
12. **Housing variety.**
13. **Shopping opportunities.**
14. **Versatility/Economic diversity.**
15. **Plenty of raw land.** Room to develop.
16. **Rowan Cabarrus Community College.**
17. **Good public schools.**
18. **Great place to live.**
19. **NASCAR/racing history.**
20. **Community/people.**
21. **Downtown.**
22. **Climate.**
23. **Good value property.**
24. **Reasonable prices.**
25. **Schools/labs – City School System.**
26. **Walkable community.**
27. **Investor's money.**
28. **Mill houses.**
29. **Gem Theater.**
30. **Community pride in sports.**

It is notable that more than half of these assets are related to the community's quality of life (recreation, history, charm, etc.).

### III. Economic Liabilities and Challenges

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Also at the 2012 Economic Development Summit, a wide range of economic development liabilities and challenges were established. Again, these are presented here almost verbatim.

1. **Lack of new identity in response to dramatic community change.**
2. **Underperforming downtown.**
3. **Lack of strong or diverse job base.**
4. **Community appearance.** Litter on the roadways. Lack of property maintenance and neighborhood upkeep. Unattractive streetscapes. Lack of wayfinding signage.
5. **Deteriorating Commercial Areas.** This includes parts of Cannon Blvd, Midway/South Main Street, North Main Street.
6. **Limited Retail Development.** No higher end stores. Poor grocery choices.
7. **Lack of shovel ready properties or vacant buildings for immediate (mostly industrial) investment.**
8. **Historical lack of emphasis on education.** Adult literacy issues. Stubbornly high drop-out rate.

### IV. Goals

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In reviewing the results of the 2012 Economic Development Summit, the following broad goals have been identified as priorities. These goals are the foundation for the economic development strategies included in this Plan.

1. Grow the City's tax base.
2. Create new job opportunities.
3. Retain existing jobs.
4. Redefine the City's image.
5. Increase property values.
6. Retain and create wealth.
7. Reduce poverty.
8. Strive for long-term economic stability of the community.
9. Promote economic self-sufficiency.

# V. General Economic Growth Strategies

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## **Background:**

Based on the feedback received from City Council at the 2012 Economic Development Summit, this Economic Development Plan has focused on these seven areas in weighted order of importance as listed. The first four focus areas received a solid support from a majority of City Council. The last three focus areas received mixed support.

1. Industrial/Corporate Development
2. North Carolina Research Campus
3. Workforce Development
4. Small Business Development
5. Quality of Life
6. Downtown
7. Tourism

This is by no means an absolute priority list. The reality is many of these focus areas are linked together by a wide variety of influences. For instance, while downtown is depicted as being a lower priority, it is clear that the viability of the NCRC over the long term is predicated on a robust downtown (or an alternate retail/commercial support component). Also, strategies related to Small Business Development, Quality of Life and Tourism may all have links to downtown and the NCRC.

Additionally, the City may not have the ability to influence each of these areas to the same extent. Some economic development initiatives are better suited to be coordinated by other groups where the City maintains a support role. This reality is reflected in the proposed strategies where appropriate.

The City cannot accomplish every possible economic strategy immediately; priorities must be established and projects and initiatives phased in according to available resources and other factors.

Finally, as to funding, \$177,366 is included in the FY 2013 Budget to be used for advancing economic development goals emerging from the City Council's 2012 Economic Development Summit. The funding included in this budget line item for economic development is not nearly enough to advance each of these initiatives completely. Further prioritization will be necessary.

## The Recommended First Step

One of the underlying themes of the City Council's 2012 Economic Development Summit, and largely a theme of the past decade in Kannapolis, centers on the City's identity. The City has gone through many transformations over the past 100 years. These transformations can be categorized in six distinct time periods:



- **Mill Town (1906 to 1984).** There is no denying that the historical identity of Kannapolis can be found in its creation as a well-planned, self-contained company manufacturing town. This transformation from a rural farming community occurred over nearly eight decades. It provided for a wonderfully comfortable lifestyle for its inhabitants for several generations. This history is also the origin of several of the challenges that exist today.
- **Mill Town trying to become a City (1984 to about 1998).** The first decade after incorporation was spent working to establish a new normal regarding virtually all things related to self-governance. It is rare for a City the size of Kannapolis to incorporate and immediately begin providing all services that were previously provided by others. Over the next decade the City moved beyond its “childhood” and began maturing as a full service City and exploring how to become a more competitive economic engine. Towards the later part of this period, the City made the bold decision to partner with Rowan County to bring professional baseball team to Kannapolis.
- **City trying to diversify itself and shed of its Mill Town image (about 1998 to 2003).** After the 1998 visioning process it became clear that Kannapolis needed to move beyond its status quo as a new City still run by a textile company. Many new initiatives were pursued: establishment of a parks department, building a business park and establishing an active marketing and communication program. During this time, the Charlotte region was in some ways reintroduced to the “new” Kannapolis. There were also signs during this time of pending changes in their remaining textile manufacturing foundation.
- **City that lost its Mill (2003 to 2005).** After the Pillowtex closure announcement, Kannapolis became the example for all to see of the devastating impact of the fading industrial base in North Carolina and many parts of the United States. During this time there was a major spotlight on the City and, while the City attempted to stay on its previous course, there was no denying the dramatic changes of which the City found itself in the middle.
- **City that is explosively transforming itself (2005 to 2008).** After the monumental announcement by David H. Murdock of the development of the North Carolina Research Campus a new spotlight began to shine on the City. This spotlight was even brighter than the one that existed immediately after the Pillowtex closure. The region, the State, the nation and beyond became enamored and intrigued with the possibilities that came with such a huge project. The City invested significant time, energy and money in doing all it could to promote and enhance this new future-changing project. There were very few things that took the City’s focus off of the NCRC during this time.
- **City that is struggling to find its long-term identity (2008 to present).** The Great Recession slowly began to extinguish the spotlight. The City, like most local governments and private sector organizations moved into survival mode. During this time new initiatives were few and far between due to frugal budgeting, limited resources and an uncertain future. Also during the latter part of this time period the City’s identity began to become more mixed and muddled. The NCRC growth, which was so dramatic during the previous period, began to slow. This had an impact on the City as a whole. It was no longer clear what the City’s future held. There appeared to be smaller pieces of several influences, often no aligned.

This shifting and mixed identity is where we find ourselves as a City today. During the 2012 City Council Economic Development Summit, one of the key ideas posed during one of the discussions was the need to complete the sentence “Kannapolis is \_\_\_\_\_.” The following overarching action strategy is recommended as a way to “fill in the blank” and to re-define ourselves a City after coming off the rollercoaster ride of events during the City’s short three decade history.

### **Recommended Action Strategy:**

1. **Facilitate a community-wide visioning/branding exercise.** This exercise is designed to refresh the community’s image and desired brand. As envisioned that this effort would attempt to integrate the various components of the City’s DNA; among them, history, textiles, music, motorsports, health, and nutrition. It will likely include distinctive but related image for downtown. Resulting from this effort would be the support and reinforcement of this brand through City capital projects, signage, marketing and other means.

The City of Kannapolis is a classic example of a “transitional economy.” The specific nature of the transition and vision for Kannapolis, however, is unique. The North Carolina Research Campus was completed in 2008 and was immediately occupied by an impressive list of universities and fledgling group of companies. The enthusiasm, excitement and media coverage were unprecedented at the time and portended a bright future for the campus, the city of Kannapolis and the regional economy.

Realistically, the economic slowdown that followed occurred at a critical time in what may have been a rapid expansion period for the NCRC and the city. While enthusiasm was tempered, the economic crisis has created a new focus on a set of strategic issues that can help define the future of the region. Among these is the issue of branding and messaging strategy around the existing assets and cultural history of the area.

Following this period of lower economic growth and activity and perhaps some needed introspection, the municipality and its various stakeholders appear to be gathering momentum. What is now at stake is the need to:

- Discover and promote a powerful, overarching value proposition for the city;
- Create and organize strategic messaging in a way that leverages these values;
- Develop broad-based acceptance and advocacy of the strategy to a broad(er) range of potential stakeholders and participants;
- Identify key strategic targets and constituencies that will help build community around the message and related programming.

The following summarizes the activities recommended for this exercise:

- **Research phase.** Internal and external information scan: research, review of consultant recommendations, internal memoranda and other background information relevant to the project prior to engaging in primary research.

- **Leadership Interviews.** These interviews to include the key “brand stakeholders” that will have a vested interest in the outcome of this campaign.
- **Expert Interviews.** “Soft-sounding” of ten interviews with “experts” in Charlotte as well as other locations deemed to be “aspirational” cities.
- **Peer Group Communications Analysis.** In-depth analysis of up to three municipalities. Focus is on communications practices across a set of touch-points (probably: website, local advertising, earned media, literature).
- **Brand Audit.** Analysis of all communications material. It will use the same analytical techniques as the peer group analysis, allowing for benchmarking of Kannapolis to the peer group.
- **Branding & Ideation Workshop.** Five hour workshop featuring “Sparks” and “Pro-File.” These tools use projective techniques to elicit thinking from a group of between 12 and 20 “subject matter experts” within the Kannapolis community.
- **Analysis & Brand Story Alternatives.** Report of salient findings from all previous deliverables, recommend a set of top-line strategies for further investigation and present a set of between 5 and 10 alternative brand concepts.

This process will be a collaborative process. It is essential to include a wide variety of stakeholders, many of whom have different, and strongly held opinions with respect to the destiny of Kannapolis. This process will be inclusive, logical and efficient. There will be opportunities for buy-in as the process progresses through the steps so that when the final recommendations emerge, a shared solution will be the result.

# VI. Industrial/Corporate Development Strategies

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## **Background:**

Outside of farming, industrial development is what our nation was built upon. However, industrial development in the U.S. has been under threat for several decades. The shift has been to a service based economy with niches in research and knowledge based industries. By many accounts, service sector value added accounts for over 70 per cent of GDP in the world's advanced economies. This is readily apparent in Cabarrus and Rowan counties through the major industrial and corporate losses of the past 10 years.

Why is industrial and corporate development an important component of an economic development program? There are several reasons:

- The multiplier impact (support jobs).
- Typical large short term, large job creators (quick infusion of jobs into the economy).
- Provides job opportunities to a large segment of most communities.
- Higher wages than some service sector jobs (but lower than knowledge based jobs).
- U.S. based manufacturing keeps product prices low.
- Important part of any healthy economy.

In Cabarrus County there have been many high points of industrial and corporate development over the years:

- Cannon/Fieldcrest/Pillowtex influence for about 75 years (1906 to 2003)
- Philip Morris in the 1970s to 2000s.
- 1980s to 2000s International Business Park. IBP is the location for most industrial growth of the past decade or more.
- 1980s to 2000s major distribution facilities (Stanley, Shoe Show)
- 1990s to 2000s Corning in southern Cabarrus.
- Late 1990's Kannapolis Gateway Business Park.
- Demise of Fieldcrest/Pillowtex from 1997 to 2003.
- Racing industry growth 1990s to 2000s.
- 1990s to 2000s smaller pockets of industrial growth.
- ACN took over the old CTC Building (little other attraction of corporate HQs over the years).
- Philip Morris site has the potential to dominate Cabarrus County's large scale industrial growth in the future.

The City Council and its staff have a relatively long history of proactively supporting and promoting industrial and corporate development in Kannapolis through actions such as the establishment of the Kannapolis Economic Development Corporation in the early 1990s and the development of the Kannapolis Gateway Business Park in the late 1990s

As the City and the region emerge from the Great Recession, industrial and corporate development will continue to be slow to restart.

The City of Kannapolis remains competitive in many of the areas related to industrial and corporate development:

- Business and income tax levels (typical)
- Energy costs (typical)
- Market size (Charlotte region is very competitive)
- Quality of services (typical)
- Cost of living (lower)
- Quality of life (typical but could be improved)
- Environmental regulation (typical)
- Permitting, licensing, various reporting regulations (good but could be improved)
- Real estate costs (typical, but higher for NC)
- Raw real estate availability (typical)
- Infrastructure-transportation, water/sewer, broadband (good)
- Access to financing and capital (typical)
- Incentive programming (typical; 80% of local governments nationwide have a tax abatement program - ICMA survey, 2001 so this is not really an advantage)
- Partnership experience (good)
- Marketing (good)

However, the City of Kannapolis lags behind the competition in these areas:

- Project-ready real estate availability (poor)
- Building availability (poor)
- Workforce availability (good in numbers; but skill level not high enough to match the “new” industrial needs)

*City Council support for the Industrial/Corporate initiatives is very strong (the strongest of all the focus areas). At its 2012 Economic Development Summit five members of City Council ranked Industrial/Corporate Development in the upper-tier of the seven focus areas. Four of these five members of City Council ranked this focus area as their top priority. Two ranked this focus area in the lower-tier of the seven areas, one of whom ranked it as his lowest priority.*

**Objectives:**

1. Create stable improvements to the City’s tax base.
2. Contribute to a diverse job base via industrial/manufacturing and corporate development.
3. Create and leverage strategic investment opportunities for the attraction of larger business operations.
4. Improve effectiveness of current recruitment efforts.
5. Create new industrial product to market for end users.

## Key Challenges:

1. **Lack of viable product (*finished land and ready-to-occupy buildings*) for manufacturing, distribution and corporate office investments.** According to the Cabarrus EDC, there are currently only four true business parks in all of Cabarrus County (International Business Park, Afton Ridge, West Winds, and the Aberdeen Carolina Western Railroad Park in Southern Cabarrus). The total industrial building inventory in Cabarrus County is 63. Of those, only 6 existing buildings are larger than 50,000 sq. ft. which is the generally accepted minimum target size in today's marketplace. By comparison, Gaston County touts 16 business parks and more than 100 available industrial buildings.
2. **Recruitment remains reactive in nature.** This has been the modus operandi for local economic development efforts (at all levels) for the past two decades.
3. **The City's direct, external marketing has become very limited in scope.** However, without product, marketing is a somewhat futile effort.
4. **There is only so much land suitable for these uses.** Because of the overall impacts there are many locations of the City where these uses are not appropriate. As a result there is a finite amount of property to facilitate an effective industrial recruitment program. It is difficult to redevelop land for large corporate/industrial uses.
5. **Traditional industrial development (cheap land, cheap labor, smokestack chasing) is no longer relevant.** If advanced manufacturing (technology emphasis) is a long term goal (e.g., Ei SolutionWorks) then the local workforce is not fully prepared. STEM education (Science, Technology, Engineering and Mathematics) is important.
6. **Investment and job levels can vary greatly.** This reality makes it difficult to know what is considered a success.
7. **Executives/management may live elsewhere.** This can be averted if attention is given to quality of life initiatives.

## Guiding Principles:

1. **To be successful at recruitment of corporate and industrial investors, suitable product to market must be established.** Product to market is critical; without it, all other tools are worthless.
2. **The City must become more actively and directly involved in the recruitment of all business sectors, especially the larger industrial/corporate opportunities.**
3. **Public sector partnerships in large scale economic development in Cabarrus and Rowan counties should be improved and enhanced.**
4. **The City must maintain a vibrant, effective internet presence for site selection purposes.** Think Kannapolis is well positioned for meet this challenge.
5. **The City must maintain aggressive financial incentives.** It is clear that these basic incentives almost always influence the site selection process for medium and large sized businesses.
6. **The City should spend pay close attention to workforce development programs.** These programs have become an important industrial and corporate attraction tool.

7. **The City should invest in quality of life investments.** It is clear that higher quality of life locations are a key component of the site selection process. One of the reasons is that relocating businesses usually want key members of its workforce to move with it.

### **Recommended Action Strategies:**

1. **Develop a new way to use our federal lobbyists, Martin Fisher Thompson, for large scale economic development.** It is anticipated that this new arrangement will be focused mostly the recruitment of corporations and the growth of the North Carolina Research Campus. As part of this strategy, the agreement with Martin, Fisher, Thompson & Associates (MFTA) will be extended through the end of FY 2013 and likely through all of FY 2014 after which time the successes will be examined and the future professional relationship will be evaluated. Methods of measuring the level of service and success will be established in the first few months of the new arrangement. The following paragraphs describe the changes MFTA is putting in place to provide supplemental economic development services to the City.

MFTA will be restructured by January 1, 2013, partnering with Dunaway & Cross (D&C), a well-known law firm in Washington, DC. D&C represents a number of major industrial corporations in the aerospace and defense industry, materials handling industry and utility vehicles industry. In addition, they also serve as General Counsel for major trade associations in the aerospace and defense industry and the materials handling industries. MFTA has also established a partnership with Michael T. Kelley, a former Deputy Assistant Secretary for International Trade at the Department of Commerce and Deputy Assistant Secretary for Congressional Affairs at the Department of Energy. Mr. Kelley is Chief Executive Officer and President of consulting firm Berkshire, Inc. At the Commerce Department Mr. Kelley's area of responsibility was the U.S. Basic Industries Sector, which included the International Chemical Industry, the U.S. Energy Industry, the Ferrous/Non-Ferrous Industries and the Forest Products Industry. In addition to his government experience, Mr. Kelley has extensive private sector experience with Babcock & Wilcox, Inc., Union Camp Corporation and HNG Corporation. Mr. Kelley is currently a venture capitalist/entrepreneur in several sectors of the economy, including health care, in addition to serving on several boards of directors. Adding his business expertise to MFTA's depth of experience, Mr. Kelley will be an invaluable asset in working with economic development-focused organizations at the federal, state and local levels.

Coupled with MFTA's existing close ties to the National Defense Industrial Association, American Beverage Association, and the American Bankers Association, the above alliances will enable the firm to be more effective in assisting the City's efforts to develop and sustain viable business outreach/incubation programs.

In addition, MFTA will continue to assist the city in identifying resources, including federal grants, to fund its community visioning efforts. MFTA will maintain its personal relationships with the City's congressional representatives in the 113th Congress and with state leaders in North Carolina.

As well, to assist the city's efforts to promote the NCRC, MFTA will: (1) work closely with the Agricultural Research Service's Human Nutrition Research Center to enhance its ongoing partnership with the NCRC; and (2) establish relationships with (a) Department of Defense organizations, such as the Military Nutrition Division of the U.S. Army's Research Institute of Environmental Medicine, to effect a military footprint at the NCRC; and (b) the World Health Organization (WHO) to create international interest in and research funding for the NCRC among the many foreign governments and private sector partners with whom the WHO conducts business.

1. **Implement the following strategies for each of the industrial/corporate development opportunities in the City:**

**Kannapolis Gateway Business Park**

*Location:* I-85/Kannapolis Parkway

*Available Property Acreage:* Less than 10 acres (likely retail or office)

*Status:* Finished, Class-A Business Park with Retail

*Ownership:* Various in including the City of Kannapolis (stable and active)

*Estimated Timeframe for Development:* 2-5 years.

*Recommended Strategy:* Continue to partner with broker Lincoln Harris market the remaining city owned 7 acres. Due to the location of the property, it has its highest value for retail purposes although an office user is a distinct possibility. It is recommended that the City invest to get Gateway Business Park's last parcels shovel ready. A grading plan has been completed and cost estimates for its implementation are being developed. This investment could be made up front which would make the property more marketable or the cost of mass grading could be offered as part of the sale negotiations to an end user.

**Afton Ridge**

*Location:* I-85/Kannapolis Parkway

*Property Acreage:* 150+ (including the office and flex space on Glen Afton Blvd. near Kannapolis Parkway.

*Ownership:* Childress Klein (stable and active)

*Status:* Finished Class-A Business Park/Mixed Used Development. The site design for the business park includes seven parcels of property totaling 76 acres. These parcels range from 4.7 acres to 17 acres. One tract is already includes a \$10 million 200,000 square foot building (S.P. Richards). The total buildout capacity of the site is more than 1.3 million square feet which could result in an investment of more than \$65 million.

*Estimated Timeframe for Development:* 1-3 years

*Recommended Strategy:* 1) Consider a partnership with Childress Klein to engage in site preparation (grade a building pad) and secure preliminary designs and permits. 2)



Include Afton Ridge in the development of any master plan effort for Kannapolis Parkway. 3) Consider the site for Duke Energy's site certification program.

### **Concrescere**

*Location:* NC 3/Davidson Road

*Property Acreage:* 75

*Ownership:* Wayne Brothers and Hwy 3 Partners (stable and active)

*Status:* Raw Land/Planned Business Park with Retail. Wayne Brothers is preparing to move forward with an initial building (approximately 25,000 square feet) subject to a resolution of the current zoning issues. There are no current plans for the larger business park or the commercial development. It is believed that the first building can be served through on-site well and septic systems. Additionally, City staff has reached an agreement in principle with Charlotte Mecklenburg Utilities to permit a City connection to its system to serve this extreme northwestern portion of Cabarrus County in the short term. While the cost of water is significantly higher than the City's in-house cost, this appears to be a much more viable short term solution for serving the Riverpointe subdivision expansion and potential Concrescere expansion for the next 3-5 years. This would permit the City to delay of the western growth area utility improvements and the capital improvement/budget impact to the City (nearly \$400,000 in debt service payments).

*Estimated Timeframe for Development:* 1 year (first building); 2-5 years (remainder).

*Recommended Strategy:* 1) resolve the rezoning issue by the end of calendar year 2012 (this process has begun with the Planning and Zoning Commission), 2) reach a formal agreement with Charlotte Mecklenburg Utilities for interim water service to the area, 3) approve phase I of the project (Wayne Brothers operations building), 4) facilitate residential growth (Riverpointe and others in the western growth area) as a means to make the retail and commercial components of Concrescere more viable.

### **Crescent Property**

*Location:* SW corner of NC 73/Kannapolis Parkway

*Property Acreage:* 229

*Status:* Raw Land - Planned Mixed Used Development

*Ownership:* Crescent Resources is selling the property. It is under contract by an investment group (unknown stability and potentially inactive)

*Estimated Timeframe for Development:* 2-5 years

*Recommended Strategy:* 1) Remain in contact with the new property owner to determine their changing interest in development or leads in development. 2) Include site in the development of any master plan effort for Kannapolis Parkway. 3) Continue communications with already established relationships with potential development groups regarding the property.

## **Rainbow Property**

*Location:* NC Highway 3 at Rainbow Drive

*Property Acreage:* 119

*Status:* Raw Land – Planned Business Park. This property has unique value due to its close proximity to the NC Research Campus. It is the closest tract of industrial property to Downtown Kannapolis. However, its distance from the interstate often limits its viability for certain uses (like distribution). The value of this property should be improved after the NC Highway 3 widening project is completed (estimated in 2017)

*Ownership:* Castle and Cooke, Inc. (stable and active)

*Estimated Timeframe for Development:* 5-7 years

*Recommended Strategy:* 1) Support property owner's interest to reserve this site for a health or life-sciences related manufacturing opportunity. 2) Work with property owner to acquire additional road frontage on NC Highway 3 (the property has less than 100' of frontage). 3) Ensure that the Highway 3 widening project is completed on schedule. 4) Consider including this property and all of NC Highway 3 in any Kannapolis Parkway master planning as a connection of that roadway to downtown Kannapolis and the NCRC.

## **DPE Property**

*Location:* Lane Street at I-85 Exit 63 (across from CMC-Kannapolis)

*Property Acreage:* 32

*Status:* Raw Land - Mixed Use Development. This property was planned to be developed into a largely commercial and office development including 12 subdivided parcels that would support approximately 182,000 square feet of retail and office development and two hotels (261 rooms total). The estimated investment was estimated at around \$53 million. The City entered into an agreement with the original developer and Carolinas Health Care to construct a sewer line across the property. This was completed in early 2012. The property has been foreclosed by Wells Fargo. The three way agreement calls for Wells Fargo (as successor party to the agreement) to pay the City \$100,000 in early 2013 and an additional \$100,000 for the next three years. These payments can be reduced by investing in tax generating development. As it stands now, the approved project (mostly retail and hotels) is very market driven. The advantages to this site are 1) the interstate access, 2) CMC-Kannapolis across Lane Street, 3) limited watershed restrictions due to the creative agreement with the City of Concord for transferring development rights to the DPE Property in exchange for additional land, 4) Baseball Stadium proximity, and 5) NCRC proximity/gateway. The disadvantages are 1) the limited amount of residential development (east of I-85) to support the retail, and 2) the unknowns surrounding the future ownership.

*Ownership:* Wells Fargo Bank (stable but inactive)

*Estimated Timeframe for Development:* 3-10 years.

*Recommended Strategy:* This property has the potential for short term value for office and industrial development (instead of retail) which would make this site a good location for a City partnership. The lingering \$400,000 debt to the City could be used as leverage to the bank to find end users more quickly.

### **Kellswater Commons**

*Location:* I-85/Kannapolis Parkway

*Property Acreage:* 57

*Status:* Raw Land - Planned Business Park/Mixed Use Development. This property has many attributes: 1) limited grading, 2) good visibility, 3) good vehicular access off Kannapolis Parkway and Rogers Lake Road, 4) attractive surroundings. Unfortunately, there are not enough rooftops in the immediate area yet to support substantial retail development. Additionally, there will be tremendous competition for development within a three to five mile radius of this site (downtown Kannapolis, Trinity Church Road area, NC 73 area). Those locations are probably more conducive to new investment before this site. It is possible that certain medical uses could represent a possible development opportunity over the next few years. There will probably be some pressure to convert all or part of this property to residential over the next five years.

*Ownership:* Florida based investment group (stable but inactive)

*Estimated Timeframe for Development:* 3-10 years

*Recommended Strategy:* 1) Include site in the development of any master plan effort for Kannapolis Parkway. 2) Resist requests to convert this property to residential uses unless it is high density and part of a master plan that includes retail and office uses. Furthermore, this site is probably not conducive to typical big box industrial development which should be avoided.

### **Austin Properties**

*Location:* Kannapolis Parkway at Trinity Church Road.

*Property Acreage:* Several parcels combined: 112 acres on the NE, SE and SW corners of the intersection of Trinity Church Road and Kannapolis Parkway and 33 acres immediately north of Stewart-Haas Racing.

*Status:* Raw Land - Planned Business Park/Mixed Use Development. The property owner has offered about half of the 112 acres to the City for purchase (idea being a recreation park) however this may not be the best location for a new park due to the proximity of North Cabarrus Park. The property has good access, traffic counts and visibility for retail development and office/industrial development but it suffers from the same challenges as Kellswater Commons (lack of rooftops for the retail development). The 33 acre site north of Stewart-Haas Racing presents the best opportunity for industrial or corporate development.

*Ownership:* 112 acres - David and William Austin; 33 acres - David and William Austin and Steve Knox (stable and active).

*Estimated Timeframe for Development:* 3-10 years.

*Recommended Strategy:* 1) Include site in the development of any master plan effort for Kannapolis Parkway. 2) Continue to discuss development options with the property owners and remain prepared to offer incentives or explore partnerships as they present themselves.

### **Southlands**

*Location:* Old Beatty Ford Road at future I-85 Exit 66 (Rowan County)

*Property Acreage:* 400+

*Status:* Raw Land - Planned Business Park/Mixed Use Development. The NC General Assembly has granted annexation rights on this property to the City of Kannapolis. However, annexation is unlikely until there is an actual project. The property has tremendous upside: 1) it would fill a major void of any substantive non-residential development along a 14-mile stretch of I-85 between Exit 74 (Julian Road) and Exit 60 (Dale Earnhardt Blvd), and 2) over the long-term the property could also serve as a potential new gateway to downtown Kannapolis and the NCRC via Ebenezer Road. The challenges are daunting:

- Construction of I-85 interchange – currently not planned with the future widening project = \$9.1 million,
- Waterline extensions = \$2.6 million,
- Sewerline extensions/upgrades = \$10.2 million,
- Major on site road improvements needed (cost TBD), and
- No master developer to date.

The development of the Southlands property would also have a significant negative effect on the development of Exit 63 at Lane Street. The property ownership group is looking for substantial financial partners to share in the rather expensive costs for this project. There appears to be some interest in the property from a reasonably experienced land developer. However, it also appears that a component of the plan might be traditional single family residential which should be cause for extreme caution as it relates to the City's participation.

*Ownership:* Gary Morton and partners (stable and active)

*Estimated Timeframe for Development:* 3 to 15 years

*Recommended Strategy:* 1) Be prepared to respond once a master plan for the property is developed and development investors are secured. 2) Advocate for the interstate interchange construction as part of future I-85 improvement projects. 3) Consider utility extensions only through development and utility extension agreements that protect the City investment to the greatest extent possible. 4) If a substantial portion of the current project is proposed for residential development, the City should strongly consider removing itself from participation. 5) Before investing in any way, the City will need to ensure, via annexation agreements, the ability to have a much broader return on its utility investments than just the Southlands properties. 6) Explore the potential for a

multi-jurisdiction entity to participate in the development of the project. This coalition might include the City of Kannapolis, Rowan County, the town of Landis, the town of China Grove and possibly the City of Salisbury. NCDOT would be separate but important partner as well. The format might be similar to Research Triangle Park.

### **Brantley Estate**

*Location:* Lane Street at I-85 exit 63

*Property Acreage:* 124

*Status:* Raw Land – Planned Business Park. The advantages of this property are its excellent visibility and interchange access. It has a few of the same attributes as the DPE property but it also has many more challenges. However, there are substantial issues related to topography and watershed protection. Only 24% of the majority of the property can be covered with impervious surface. This puts this property at some disadvantage unless the property owners account for this in their sales price. Additionally, the existing development on the east side of I-85 does not lend itself to high quality development. There are also utility issues that remain (lack of sewer), limited water capacity for some uses.

*Ownership:* Brantley Estate heirs (stable and active)

*Estimated Timeframe for Development:* 5-10 years

*Recommended Strategy:* 1) This property should be developed for an *enhanced* class B Industrial Park similar to (but bigger than) Biscayne Industrial Park. Included would be a mixture of business types including some higher quality metal building construction (with improved facades) and screened outdoor storage. Special attention should be given in the site planning to ensure that the I-85 visibility is protected from negative views. This approach would give the City a more diverse inventory of options for industrial development. Everything we have can't be high end, corporate park development like we will see on Kannapolis Parkway. 2) The City, the Cabarrus EDC and property owners should develop a workable strategy for finding an investment group/land developer. This would involve establishing the right land pricing, putting in place the correct marketing approach, finding resolutions to the site challenges. 3) Protect the property from potential negative impacts of the planned I-85 widening and interchange improvements.

### **Biscayne Industrial Park**

*Location:* Biscayne Drive off NC 73 at I-85 exit 55

*Property Acreage:* 22 acres of raw land remain.

*Status:* Finished Class-B Industrial Park. This area off of NC Highway 73 was developed in a random, unplanned and piecemeal fashion (prior to annexation by the City). About 10 years ago the City invested more than \$1 million in utilities and street improvements to jump-start the development of the park located at the end of the existing Biscayne Drive. This was a very successful venture as there have been a number of successful businesses such as ESC Enterprises and Double O Plastics that

have located there. Golden Gait Trailers and Cardinal Logistics are also located adjacent to Biscayne and are sometimes consider part of “Biscayne.”

*Ownership:* Various (stable but inactive).

*Estimated Timeframe for Development:* 1-5 years.

*Recommended Strategy:* 1) Explore options for upgrading this area aesthetically to give it a stronger, more cohesive image. This might include landscaping enhancements and branding the area together through signage and unique street signs. 2) Establish a more effective relationship between the City, the Cabarrus Economic Development Corporation and the collective businesses in and around Biscayne. 3) Examine other properties immediately adjacent to Biscayne Drive that may be suitable for bringing into this strategy in a more comprehensive way. The properties include the former Overcash property across NC 73 from Biscayne and the properties that were originally part of the Dogwood Industrial Park (entrance to Stanley Tools).

2. **Develop and implement a speculative industrial building program to help stimulate building construction.** The recent economic downturn has negatively impacted the industrial real estate market in Cabarrus County and beyond. A new, large (50,000 sq. ft. or larger) industrial building built on a speculative basis has not been constructed in Cabarrus County in the last four years. The Cabarrus Economic Development Corporation staff has met with numerous development companies in the Charlotte Region to determine what is impeding growth. The most frequent answer was financing. Traditional methods of financing are requiring more equity and offering higher interest rates. This has a significant impact on the prospects of speculative buildings being constructed. With 70% (possibly as high as 90%) of prospects looking for a new building, this severely limits our ability to create jobs and lure new investment.

Options to examine:

- Site Acquisition - Site would be held until building is occupied or sold, at which time the developer purchases the land. This would be similar the Kannapolis Gateway Business Park strategy.
- Infrastructure Improvements - City constructs certain required infrastructure improvements such as roads, utilities, etc. with reimbursement for some or all of the improvements after the building sales or leases.
- City Construction - City builds and manages speculative buildings (higher risk)
- Rent Guarantees - Pledging to cover rent for determined period of time to mitigate risk to developer, once building is occupied program would end
- Revolving Construction Loan Fund- Money would be allocated to developers at a nominal interest rate for building construction; once building is occupied the funds revert back for future use.
- Interest Rate Grant- Used to offset higher carrying cost, could be revolving as well.

3. **Develop an ongoing working relationship with both local and regional commercial real estate brokers.** This might include periodic breakfast or lunch meetings to collaborate and open up communication lines regarding the availability of industrial and commercial properties in the City.
4. **Develop a master plan for a medical/technology corridor for Kannapolis Parkway and Mooresville Road.** This vision would be to develop the “Corridor of the Future,” a medical/technology corridor along Kannapolis Parkway and Mooresville Road (Highway 3) from I-85, Exit 54 to the entrance of the North Carolina Research Campus. The ultimate vision for the corridor would be a “lane of opportunity” with numerous technological and industrial parks linked by proximity and mission to higher end manufacturing and corporate investments with the North Carolina Research Campus as a foundation and common tie. The synergy of clustering future tech industries will be critical to the long term sustainability of Kannapolis as a technology city.

The 2006 Economic Impact Study for the NCRC projected nearly 10,000 spin-off jobs from the NCRC over the next 25 years. Obviously, due to the slowdown of the NCRC growth, these numbers within that timeframe are likely high. But it is clear there will be an impact. The choice for Kannapolis will be to attempt capture as many of those spin-off investments (and jobs) in Kannapolis as possible or let them arbitrarily locate where they choose. This strategy is designed to help accomplish this. This link between Kannapolis’ heart at the North Carolina Research Campus and the commerce of the world via Interstate 85 would provide the natural progression from research to product to economic profit. Its ultimate purpose will be to facilitate and encourage the creation of new jobs and the economic growth in research and development and high technology sectors of the economy. These are jobs that will certainly spin-off from the Research Campus but could not be facilitated on the campus because of space and design demands that are different. As envisioned, this strategy would include the following components:

- Study Area
  - Beginning at Trinity Church Road or Rogers Lake Rd, but possibly at Crescent tract/NC 73 or even I-85.
  - Inclusive of Mooresville Road (may include redevelopment recommendations)
  - Terminating at the NCRC in downtown Kannapolis.
- Builds on current assets: NCRC, RCCC, CHA, Cab. Family Medicine, Piedmont Behavioral Health, Caremoor, Hospice, NCRC Medical Office Building (only Caremoor has been there for any length of time). Possibly Novant Health.
- Proactive land planning/design.
- Collaborative effort with land owners.
- Would further the City’s branding effort (possibly Let’s Move, CHA, CMC wellness initiatives and efforts to give it substance).
- Major marketing campaign of a cohesive, themed corridor.
- Aggressive workforce training and support system for industries (located that the Research Campus).
- A strong link to the invaluable intellectual resources of the Research Campus.

- Housing developments interspersed along the corridor like Kellswater Bridge and Integra Springs that can be linked to the overall mission of the corridor (live, learned, work, play in close proximity).
  - Pedestrian orientation to link to planned each tech park and residential and retail areas.
  - Common marketing tied to the Research Campus.
  - Common signage, landscaping and lighting themes.
  - Architectural standards.
  - Fiber optic telecommunications similar to the Research Campus infrastructure.
5. **Develop a plan to target underutilized properties for industrial, manufacturing and corporate development.** This strategy would attempt to repeat the success of the Old Terry Products site (furniture manufacturing), the old Cannon Blvd Wal-Mart (Ei SolutionWorks). The following are general observations about this strategy:
- a. Need to prepare an inventory of space first. The Cabarrus EDC indicates there are 16 vacant “industrial” buildings in Kannapolis. It is likely most of these are not very marketable spaces for today’s market and some may be these underutilized properties.
    - The spaces can be small – old warehouse buildings. K-Town on DE Blvd, old Lowes DE Blvd, Ron’s Sporting Goods, old A&P, old Big Lots, Bill Watts building on Mooresville Rd. are examples. Ironically, many of these buildings have been secured for non-industrial uses over the past year.
    - Would be a reasonable public investment.
    - Might be back office, high tech manufacturing needing less space. Might be startup companies.
    - Maximizes existing infrastructure.
    - Prevents concentrated decay of these locations.
6. **Improve the effectiveness of the City-EDC relationship.** This can be accomplished through increased EDC board influence and improved weekly communication. Beginning with the FY 2013-14 contract with the Cabarrus Economic Development Corporation, include more specific, measurable performance objectives. However, for this strategy to be effective, the City will need to implement the other recommendations of this plan, most importantly, develop product for the EDC to market.
7. **Working with the NCRC partners, identify business sectors and companies that have a link or potential link to the North Carolina Research Campus such as food and health companies and develop and implement a marketing recruitment plan aimed specifically at those businesses.** These would be industrial users that might have a link to the Campus but are in need of industrial land/buildings in close proximity to the Campus.
8. **Expand and improve the working relationship with expansion of existing industrial/corporate businesses** These business include Ei, Shoe Show, Stanley Tools,



Stewart-Haas Racing and the companies on the NCRC. Corporate appreciation events similar to the one held for Stewart-Haas Racing should be considered.

9. **Establish a plan for City staff becoming more actively involved in recruitment and marketing efforts.** Examples might include attending certain trade shows, direct marketing, and investor interaction. This strategy also assumes a more direct relationship with Martin Fisher Thompson as noted in the initial strategy of this section of this Plan. This strategy would be advantageous to the City and would also provide in-kind support to the two partner economic development organizations from both counties. The City should explore the possibility of adding additional funding to directly market Kannapolis properties/parcels. This was a strategy employed around the time the Kannapolis Gateway Business Park was constructed. It is important to note, as has been described elsewhere in this Plan, this effort will be futile without product or a plan for creating product.

## VII. NCRC and Downtown Strategies

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### **Background:**

Traditionally, a downtown in most communities accounted for as much 30% of the jobs; and 40% of the tax base. This is simply not the case today. At one time there were over 6,000 jobs in downtown Kannapolis. Today there are less than 1,000. Downtown Kannapolis can once again be a source of pride. It can define our image and is a centerpiece of our economy. Downtown can be the social, cultural and financial lifeblood of the City. However, in the short term these positive attributes will not happen without influence and investment by the City government.

Downtown revitalization is important for many reasons:

- Downtown is a reflection of how we see ourselves, it is the heart of our community.
- It is the point of focus and stability, an incubator for small business and it protects existing tax base.
- It is our best location for tourist activity.
- Existing infrastructure unequaled anywhere in the City – sidewalks, street trees, utility investments, transportation.
- It is compact, efficient, memorable, and has tremendous potential for infill development.
- Perhaps most importantly, it is home of NCRC, the single biggest investment in our future and already one of the two biggest investments in our entire history.
- An active downtown is an attractor to business.
- If new businesses, innovative businesses, and creative businesses are going to be fostered and encouraged, Kannapolis will need a downtown where that can take place.
- Downtown is the best opportunity for a walkable, mixed use environment and should become the center of our daily lives.

*City Council support for the NCRC growth is very strong (only eclipsed in priority by Industrial/Corporate Development).* At its 2012 Economic Development Summit five members of City Council ranked the NCRC in the upper-tier of the seven focus areas. One member of City Council ranked the NCRC as his top overall economic development priority and one ranked it as the second priority. Three ranked this focus area as the third highest priority of the seven areas. Two ranked the NCRC in the lower-tier of the seven focus areas. No member of City Council ranked the NCRC as his lowest priority.

*City Council support for the Downtown initiatives is split.* Three members of City Council ranked Downtown in the upper-tier of the seven areas. One of these six ranked this focus area as his top overall economic development priority and one ranked it as the second priority. Four members of City Council ranked Downtown in the lower-tier of the seven focus areas with one member of City Council ranking this focus area as his lowest priority.

## Objectives:

Based on the input from City Council at the Economic Development Summit, the overarching objective for downtown should be more focused on creating jobs, general economic growth and promoting business activity. In the short term it should be less about historic preservation (unless it has a specific economic benefit), festivals, and less sustainable activities that have limited economic impact. These are important but are less of a priority to the current City Council than the more important task of building the critical mass.

The City should capitalize on expertise of the NC Department of Commerce (NCDOC) but only the pieces that make sense now. The complete Main Street Program as original presented by the NC Department of Commerce Office of Urban Development is not the right approach but components are important and offer value. The NCDOC can provide general advisory services regarding the approach and direction of the Kannapolis downtown revitalization program (including organization) and assist with prioritization of activities and projects.

At this time, the objective should not be to hire a Main Street Manager or create a new program.

1. Support the growth of the Research Campus through improved communication and outreach and strategic public investments.
2. Increase office, retail, and other business activity in downtown Kannapolis.
3. Increase the number of residents using the downtown area for everyday activities, like exercise, dining, and meeting people.
4. Establish a strong image, identity, and brand for downtown, likely in concert with the NCRC, in relation to the overall image for Kannapolis.
5. Increase the amount of traffic to downtown Kannapolis by attracting visitors/tourists from outside of Kannapolis to eat, shop, or see and experience sites.
6. Encourage multi-family housing downtown to support business growth.
7. Ensure the quality and compatibility of future development in the downtown area.
8. Make downtown easier to find and navigate for visitors.

## Key Challenges:

1. *Lack of consensus.* There remains no clear consensus regarding the urgency (or lack thereof) of achieving economic growth in downtown Kannapolis.
2. *Impatience.* There is desire to do something *fast* even if it may be isolated, fragmented and not particularly successful. Being patient and digging deeper to ensure that what is done has a greater chance of success and might be more sustainable.
3. *Fragmented efforts.* Downtown Kannapolis and the NC Research Campus have been viewed as separate entities by many but not necessarily by Castle and Cooke. The fragmented approach will not be sustainable.
4. *NCRC Space Pricing.* The NCRC pricing structure is not fully aligned with the market which makes some recruitment efforts difficult.
5. *Single Ownership.* There are many who view this as the single most significant stumbling block to successful revitalization effort. There are others who view this as the single biggest advantage. Therein lies the challenge.

6. *Lack of reliable data and information about downtown.* There has been a lot of discussion about what people would like to see in Downtown Kannapolis (different shops and restaurants, etc.). However, other than the Hotel feasibility study, to date there is no good data to support the viability of any single user.

### **Guiding Principles:**

1. *Hub of the Community.* The City needs a vibrant, relevant downtown to serve as the hub for all community activity. If Kannapolis were a house its downtown should be viewed as the “living room.”
2. *Partnerships.* Any approaches must be a partnership with Castle and Cooke, the universities and other stakeholders). We cannot be pursuing different objectives. A more comprehensive, formal and sustainable partnership between the City of Kannapolis, Castle and Cooke and the research interests on the NCRC (universities, DHMRI, etc.) needs to be established.
3. *Student links.* The link between the NCRC and our student populations is important to build community pride and inspiration.
4. *Rethinking downtown/NCRC image.* Downtown and the North Carolina Research Campus both need to be redefined as one larger, inseparable entity.
  - a. Everything “inside the Loop” should be viewed as one entity for the purpose of branding/marketing, economic development, public investment, etc.
  - b. Ultimately the goal would be for the “NCRC to be located in Downtown Kannapolis” but the reality is that the NCRC is so much more recognizable and marketable than the Downtown so the reverse will be true for now.
  - c. This approach brings more stakeholders to the table – critically important stakeholders. It also helps remove any stigma that the effort is only to benefit one property owner.
  - d. If the campus grows, downtown will grow. This is the path of least resistance.
  - e. The reality is that downtown may be a mixture of support space for the NCRC AND services (retail, restaurants, etc.) – at least for the next 5 years. If that is true...the two must be strongly linked together.
  - f. An alternative approach would be for downtown and the NCRC to be complementary entities but completely separate in branding/marketing, economic development, public investment, etc. This is where we are now and this approach has limited opportunity for success.

### **Recommended Action Strategies:**

1. **Construct a police station and city hall facility that improves operations and service delivery and helps to stimulate revitalization of our downtown.** The downtown location has been determined (old Post Office site). City Council has voted to pursue the project using Limited Obligation Bonds. The following elements should be considered in the site and building design:
  - a. Commitment to the City’s newly developed brand.

- b. Private sector, mixed-use component or other co-location options to generate additional traffic.
- c. Public meeting space and/or cultural space (history, music, etc.). The use of a portion of remaining NCRC Bond (TIF) funding should be explored as a possible source of funding to add these amenities to the facility.
- d. Improved open space to serve as the central meeting place.
- e. Pedestrian orientation to the existing downtown core.

The schedule for construction of these facilities is as follows:

November 2012 - January 2013. Architect selection.

January 2013 - June 2013. Site and architectural design.

August-September 2013. Construction bidding.

October 2013 – October 2014. Building construction.

January 2015. Building occupancy

**2. Support the development of a shared, realistic vision and brand for Kannapolis (and downtown) that community leaders will support.**

- Go through the proposed branding process - i.e. "who is Kannapolis?"
- Strategically use NC Main St resources to refine/develop a shared, realistic vision - i.e. "where are we headed? What are we working together to be?"
- Develop training and communication to educate the community and leadership about the vision and ways to fully utilize N.C. Dept. of Commerce resources.
- Reassess work plan and next steps at completion of branding process and during FY 2013-14 budget planning (February-March 2013).

**3. Establish four working sub-committees of the City's Center City Master Plan Committee to establish specific recommendations for addressing Downtown Kannapolis' challenges.** When developing its recommended work plans, these committees will take into consideration the N.C. Department of Commerce's Main Street Program resources.

Economic Restructuring Subcommittee

*Strengthen downtown Kannapolis through business development and retention, and creative reuse of and rehab of vacant space.*

- Conduct comparative analysis, building inventory and market analysis to provide a base level of information about the downtown market and economic conditions
  - The *comparative analysis* will establish baseline data and a starting point for revitalization efforts based on the assets and experiences in other, more established downtowns.
  - The *building inventory* will determine the appropriate uses to recruit and to develop a plan of action for improving spaces to better prepare for occupancy.
  - An independent *market analysis* will identify what types of businesses should be recruited and in what time frame.

- Obtain contractor estimates for bringing vacant spaces to code.
- Identify business recruitment needs and strategies.
- Identify incentive programs that are needed for business development.
- Create a resource guide for new businesses.
- Establish or enhance relationships with existing businesses to identify business retention needs and strategies.
- Track business data to be able to provide regular updates on performance metrics and show successes.

(Note: Completion of some of the above steps will be based on the results of the analysis)

#### Organization Subcommittee

*Develop a stronger downtown organization that can provide leadership to the downtown efforts.*

- Recommend a chairperson for the CCMP committee.
- Recommend a mission statement for the overall organization/committee – include economic development as the focus.
- Determine the geographic scope for the committee, engaging DKI, KBA, or other groups as needed.
- Serve as liaison to city branding/visioning process.
- Add committee members as needed, including engaging north and south Main Street areas.
- Recommend the framework for an organizational structure – bylaws, 501c3/501c6, etc.
- Recommend options for sustainable funding.

#### Promotion Subcommittee

*Promote a positive image of Kannapolis based on our assets.*

- Work to cohesively promote existing events and assets, such as developing an event calendar, event guidelines, and an event cross-marketing plan.
- Provide training and education for merchants to maximize business potential.
- Develop strategies to engage multiple downtown audiences.
- Conduct historic asset inventory.
- Work with economic development subcommittee to develop business recruitment and business retention marketing plan.

#### Design Subcommittee

*Identify priorities in getting downtown into top physical shape and creating a safe, inviting environment.*

- Provide education and recommendations to CCMP and city leaders regarding historic preservation options, based on SHPO and NC Main Street consultations.

- Include a broader definition of downtown Kannapolis in the analysis, including north and south Main St areas.
- Recommend changes to ordinances that may be needed to influence the characteristics of future development in the downtown area.
- Research and recommend the benefits and disadvantages of making West Ave publicly owned.

(Note: Longer term areas to be addressed could include gateways, wayfinding, and streetscape)

3. **Facilitate a discussion among stakeholders on the NCRC regarding the feasibility of creating a central, non-profit entity to represent campus interests.** The potential roles for this entity:
  - a. They could subsidize space to facilitate population of the key NCRC buildings.
  - b. Common, focused marketing.
  - c. Highly developed communication system of sharing information.
  - d. Unified vision.
  - e. Recognize and publicize intellectual assets coming out of NCRC such as products emerging as a result of research.
  - f. Would speak with one voice. Might be patterned after the Research Triangle Park model – the RTP Foundation.
  - g. The stakeholders would include representation from:
    - City of Kannapolis
    - Castle and Cooke
    - David H. Murdock Research Institute
    - North Carolina University System
    - Duke University
    - Cabarrus Health Alliance
    - Rowan Cabarrus Community College
    - Cabarrus EDC
    - Rowan Works
    - CMC-North East/Carolinas Health Care
    - Private companies on the campus
4. **Develop a joint cohesive marketing and economic growth strategy between NCRC partners and the City.** The partners would include the stakeholders described above. Ideally the recommended non-profit entity would take on this role but absent that, a joint marketing effort should be established. This plan should include efforts to communicate NCRC research and activities.
5. **Develop a strategy to recruit commercial product development lab focused on food products, medical devices and other end users highly relevant to the NCRC.**
6. **Establish an incubator/accelerator exclusively for NCRC.**

- a. Can be physical space – all sizes and types - a menu of spaces. Might involve a partnership with Castle and Cooke for downtown space. There is the possibility to convert a significant portion of downtown to this type of space with public subsidies.
  - b. Can be virtual/service based including central services such as legal/patent, accounting, tech transfer, networking, financial incentives, SBA assistance, angel funding, venture capital, etc.
  - c. Could be a multi-player collaboration (City, Castle and Cooke, DHMRI, RCCC, counties, all 8 universities, NCRC businesses, EDCs, etc.) - all with skin in the game
  - d. Marketing services would be critical. What makes this consortium/virtual incubator attractive?
  - e. Feasibility study would be next step.
7. **Conduct a feasibility analysis for a kitchen incubator in downtown to support small business development, leverage the relationship to NCRC, and increase the potential for culinary-related tourism.** This effort would include a culinary program link and food product development link to recruit related businesses. In might include a connection /collaboration with the farmer’s market. The best scenario would be a collaborative effort to form joint partnership between NCRC, Castle and Cooke and the City.
8. **Explore the idea of establishing a Local Junior Achievement (or similar) Program focused on the NCRC and STEM to build young entrepreneurs.** NCRC researchers and other personnel could be JA mentors/advisors. This may or may not dovetail with the Small Business recommendation related to the Chamber/EDC Young Entrepreneurs program.
9. **Explore the merits of a contemplated Life Science Bond Program.** The City Manager has been engaged in a year-long discussion with a group out of Washington D.C. regarding the possibilities of this program. It still does not have any firm foundation but the discussions are continuing. The components of this idea include:
- a. Federal program – Economic Development agency issues bonds using FUTURE federal research and development and product development grants as the pledge.
  - b. Advantage: company gets 10 years’ worth of funding in one year versus the slow 10 year drawdowns of grant funding.
    - i. Accelerates commercialization/profits.
    - ii. Creates jobs and investment immediately, perhaps in a big way.
    - iii. Similar to GARVEY Bonds for highway construction which pledges future DOT revenues to build major projects now.
  - c. Could use the NCRC as a test case to target the physical location on the NCRC for companies benefiting from the program.
  - d. Would really provide measurable outcomes locally (jobs and investment).
  - e. Arms-length bonds like TIFs.
  - f. Higher interest but lower risk to issuer.



- g. Assumption is that the accelerated research would growth the local economy very rapidly (and ultimately national economy if implemented on a large scale).

## VIII. Workforce Development Strategies

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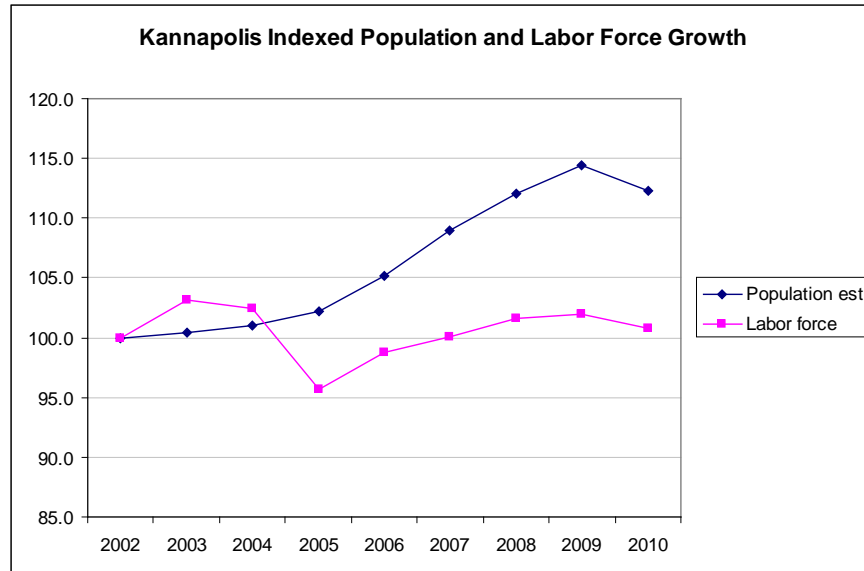
### **Background:**

There are a myriad of factors that influence children as they grow into adulthood, but education is universally recognized to be a major factor that can open doors to future success in the workforce. With nearly 75 million baby boomers set for retirement, now, more than ever, technically skilled workers are in high demand.

The Bureau of Labor Statistics predicts that, in the 21st century, manufacturing employment as a share of the total workforce is going to decline by 10.6 percent (or 1.5 million jobs), mainly in repetitive manufacturing jobs. This trend has already begun in earnest. According to the Federal Reserve Bank, employment in advanced manufacturing, however, has risen by 37 percent. For example, employment in pharmaceutical and medical device manufacturing is expected to grow by 23.8 percent and add 69,000 new jobs by 2016. The aerospace and defense industry has a backlog of production that extends to 2030, requiring continuous upkeep of their workforce. Transportation will continue to grow and change, requiring a workforce that is flexible, knowledgeable and focused on their deliverables.

According to a 2005 Skills Gap Report, more than 80 percent of U.S. manufacturers report an overall shortage of qualified employees. This can be changed by educating young people in science, technology, engineering and mathematics (STEM), providing them with information about the manufacturing world, and allowing them to experience beneficial opportunities. In addition, the current workforce needs to be able to transition into high-skill, high-wage, high-demand positions.

Kannapolis population grew 12% in 9-year period 2002-2010 but the Kannapolis labor force has grown only 0.8%. Clearly the Pillowtex closure has some impact on these numbers. However since 2006 (post Pillowtex closure) the labor force growth is still lagging population growth (2006-2010: population growth = 6.8%, labor force growth = 2.1%). A key question emerges from these trends: How will our residents increase their standard of living if they don't participate in the labor force? People who drop out of the labor force don't have steady earnings. This trend is not sustainable. The challenge is that when residents decide to get back into the labor force, the opportunities are limited because they don't have the skills or training. This alone is why workforce development is so important to Kannapolis.



Kannapolis labor force size in January 2012 was 20,466. By contrast, Kannapolis’ workforce population (ages 20-64) in 2010 was 24,640. This represents an “employment gap” of 4,174 residents or 20% of labor force and 10% of total population. By comparison, Concord’s employment gap is half of Kannapolis’ gap (10% of the labor force and 5% of total population).

### The 2008 Education Workforce Development Action Plan

One of the most glaring findings from a 2006 SWOT Study commissioned by City of Kannapolis was the need to improve K-12 public education. This was identified as the most critical issue for the Kannapolis area as it prepares for the continued arrival of the NCRC employees and their families. The key areas to address include improving academic performance, expanding gifted programs, and linking education to employment. While certain initiatives will require increased funding and resources to implement, others are likely to focus on changing expectations of community residents. For example, the value of higher education must be embraced and emphasized, in order to increase the proportion of high school graduates who continue their education rather than enter the workforce directly.

The second priority issue is the need to prepare the existing and future workforce for jobs related to opportunities, especially on the NCRC. Workforce development covers a wide range of activities, from increasing career awareness and aptitude in basic skills at the K-12 level to providing customized training and education programs for adults for current and future job opportunities.

The three public school systems in Cabarrus and Rowan counties (Cabarrus, Rowan-Salisbury and Kannapolis City) and the Rowan-Cabarrus Community College were all created to meet very specific objectives centered on serving their “citizen customers;” students and their families within the confines of their service territory or district boundaries. These organizations have also been conditioned, largely by outside influences, to function in a very practical, cost efficient, regimented way. Unfortunately, like most large organizations, effective collaboration with other similar organizations and creative thinking is often difficult to achieve. Rowan Cabarrus

Community College has begun to bridge that gap through its work on biotechnology curriculum and programming with Charlotte's Central Piedmont Community College and Gaston College. However, to date, there has been limited collaboration on creative educational initiatives among the three K-12 systems aimed at supporting the NCRC over the long-term.

The emerging presence of the NCRC, the strong growth of the motorsports sector, and the potential of existing business and industry expansion in Cabarrus and Rowan counties require a strategic approach to evaluate and implement educational and workforce development initiatives to ensure that there is a viable pipeline of workers for future business development and growth. An intensive situational analysis of education at all levels and of the existing available workforce is critical to validate present and future needs within our community.

While some initiatives will require increased funding and resources, others may focus on changing expectations of community residents to embrace higher education and lifelong learning. Additionally, the preparation of our current and future workforce for existing local business and industry and anticipated new employers must be a priority.

Cabarrus and Rowan counties do not have a coordinated strategic plan for workforce development. Nor do we have the kind of collaborative, cutting edge education plan that will be critical to the future growth and prosperity of our region. This 2008 Education and Workforce Development Action Plan was aimed at eliminating those strategic deficiencies.

Through the K-12 Assessment, NCRC & Existing Business Needs Assessment, and Regional Workforce Assessment, the components of the workforce crisis facing the Counties were defined. Each report contains findings that emphasize the historical attitude of "business as usual" is preventing the local Pre-K-16 education and workforce development systems from providing the resources necessary to create a 21st Century workforce in the Counties. The exclusive use of traditional approaches is holding back the Counties from taking advantage of the unique opportunity that is before them to create 21st Century Pre-K-16 educational systems.

The key discoveries from the research highlight the systemic challenges to be overcome to dramatically revitalize and increase the competitiveness of the areas workforce. The findings from each assessment are as follows:

#### K-12 Assessment

Cabarrus County Schools, Kannapolis City Schools, and Rowan-Salisbury Schools must meet the challenges of preparing the 21st Century workforce and establishing 21st Century schools head-on. During interviews and focus groups, administrators, teachers, students, and parents shared the need for increased effort and resources to provide local students the opportunity to have a world-class 21st Century education.

With the arrival of the NCRC and the demands of existing local advanced technology industries, there is a greater emphasis on insuring that the future workforce can actively participate in opportunities today and in the future.

The key findings of the K-12 Assessment are:

- Improvement in student performance and increasing graduation rates must be made.
- There is a low percentage of 4-year and higher degreed adults in the Counties.
- Directed-strategic new funding is needed to establish a world-class 21st Century education system. This includes technology, training, equipment and structure.
- Teacher recruitment and retention strategies need to be enhanced to make teaching in Cabarrus, Kannapolis, and Rowan-Salisbury attractive.
- After-school programming needs to expand capacity and to increase alignment with classroom curricula.
- The lack of basic and professional skills was highlighted as the biggest challenge student's face in advancing to higher education or entering the workplace.
- Past efforts have had marginal success and more concerted efforts are needed to support entire schools and feeder systems to be "Smart" or 21st Century.
- New facilities construction and existing facilities renovation is needed.
- Career counseling, awareness and education are needed for students, teachers, and parents.
- Improved local and neighborhood communication is necessary to make the public aware of both opportunities and needs.

#### NCRC & Existing Business Needs Assessment

As this document has clearly pointed out, the crisis is already here. Hundreds of jobs are open in Cabarrus and Rowan Counties today. The addition of thousands of new positions in the next few years will only exacerbate the problem. The current workforce must be retrained and the young people now in school must be challenged to achieve greater educational attainment.

The key findings of the NCRC & Existing Business Needs Assessment are:

- There are over 2,000 jobs coming online at the NCRC and existing businesses in the next 24 months.
- The opportunity for local residents to compete for jobs on the NCRC is available, but they need the appropriate education now, while the window of opportunity is open.
- Based on the NCRC Economic Impact Analysis and U.S. Department of Labor Occupation Projections, many more employment opportunities are coming to Cabarrus and Rowan Counties.
- There will be increased competition for skilled labor in all sectors.
- Lack of depth in local talent and skilled labor is forcing the NCRC and existing businesses to hire employees from outside of Cabarrus and Rowan Counties.
- The local culture of not valuing education needs serious attention in both Counties for each to increase the number of residents that can be employed at the NCRC and existing businesses.
- Throughout the community input process, participants reiterated a minimum of a high school diploma or GED and basic soft skills education is be required to be competitive in today's and tomorrow's job market.

## Regional Workforce Assessment

Cabarrus and Rowan Counties face significant challenges in preparing their current workforce to meet the needs of current and future employment opportunities. The research in this report adds to the findings in the K-12 Assessment and NCRC & Existing Business Needs Assessment.

The key realities of the Regional Workforce Assessment are:

- Significant skill gaps exist between the capacity of the current workforce and current employment opportunities in biotechnology, healthcare, hospitality, and motorsports.
- The demand for skilled workers has increased dramatically, while capacity to provide education and training for these positions is growing very slowly.
- A significant improvement in higher educational achievement by the workforce is critical.
- Expanding and creating new continuing education programs is crucial.
- Currently, there is very limited local capacity to provide bachelor's degrees or master's level programs.
- Cabarrus and Rowan Counties have to radically increase their pace of education and workforce development to ensure that residents have the opportunity to participate in the transformation of their Counties.

*City Council support for Workforce Development Initiatives is strong.* At its 2012 Economic Development Summit five members of City Council ranked Workforce Development in the upper-tier of the seven focus areas. One of these five ranked this focus area as his top overall economic development priority and two ranked it as their second priority. Two councilmembers ranked Workforce Development in the lower-tier of the seven focus areas, one of whom ranked it as his lowest priority.

### **Objectives:**

1. Develop a new workforce prepared for entrepreneurship, STEM jobs, and community leadership.
2. Develop a workforce that is adaptable to changing economic conditions.
3. Build community wealth.
4. Create higher paying jobs in part due to a ready workforce.
5. Attraction of companies and other economic investment.
6. Establishment of a resilient local economy.
7. Prepare students and the workforce to be innovators, explorers, and critical, adaptable and creative thinkers.

### **Key Challenges:**

1. Due to Kannapolis long history of placing relatively low value of education, changing the culture is very important.
2. Lack of adequate funding to carry out needed changes in the school systems.
3. The school systems' 'biggest' challenges are lack of equipment, professional development to integrate technology in the classroom/curriculum and quality facilities

4. Strategic alliances are needed between schools, non-profits and businesses to provide opportunities for youth and adults.
5. Skills of the current workforce needs upgrading; many in the existing workforce do not have skills that are in demand
6. There is a lack of customer service and soft skills for entry-level positions, especially in retail and hospitality.
7. Entry-level positions require a minimum of a high school diploma or GED; many residents are still without either.
8. There is no single entity in Cabarrus County that is taking a firm leadership role in education & workforce development.

### **Guiding Principles:**

1. All workforce development initiatives should be viewed as long term investments but the daunting task should not deter new programs; the community needs to start somewhere.
2. Perhaps more than any other economic development focus area, partnerships in workforce development are critical to any long term success. Partners include all public school systems, Rowan-Cabarrus Community College, Economic Development organizations, chambers of commerce, other community groups/non-profits.
3. The link between current education efforts and future economic prosperity and sustainability of Kannapolis must be strengthened. Currently there is virtually no connection between education and economic development. Education and economic development are two sides of the same coin, but different entities are in charge of each
4. Kannapolis must capitalize on its long-standing strong work ethic of its citizens. This work ethic is the one almost un-teachable positive attribute that the community can build upon.
5. The City and its partners should pursue a dual strategy of addressing the employment gap by importing its workforce and building from within. Importing its workforce (e.g., on the North Carolina Research Campus) will require quality of life investments to be sustainable. Building from within will require both new job creation and workforce training.

### **Recommended Strategies:**

1. **Revisit the 2008 Education & Workforce Development Action Plan and pursue targeted implementation.** There are far reaching and substantive recommendations in this Plan. To date, no one entity has taken responsibility for this effort although RCCC has been the most active in advancing the general principles included in the plan (e.g., STEM initiatives). Of course many of these initiatives require funding and other resources and commitments. These programs and initiatives are not reprinted here for efficiency of space.

This Education and Workforce Development Action Plan is very comprehensive in nature. If Workforce Development is indeed a local priority, this is the critical strategy. Staff will evaluate the Plan recommendations and coordinate with our local partners. After this evaluation is completed, this Economic Development Plan will be revised to

include those action strategies that appear to be the most productive and feasible for the City to pursue.

2. **Establish a more active City role in supporting, marketing, and expanding the various NCRC public lecture series.**
3. **Assist the school systems in exploring new funding sources for programs and resources to improve the education experience.** Focus areas might include:
  - Technology in schools
  - Professional development for teachers
  - Parenting classes
  - Career counselors
  - After school/summer programs
  - Literacy programs
  - Magnet/STEM programs
4. **Explore ways to increase connection of schools with the NCRC and perhaps other businesses like Stewart Haas Racing (the inspiration factor).**



# IX. Small Business Development Strategies

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## **Background:**

Looking at recent history, larger businesses cannot be relied upon for all of North Carolina's new jobs. Of all the size categories of establishments, those under 50 employees are the only ones to see an overall increase in jobs dating back to before the previous recession a decade ago. In fact, according to the 2012 State of Small Business in North Carolina Report, the number of total workers employed at a North Carolina establishment of 250 employees or more, has yet to reach the totals they were in 2001.

There are plenty of positive implications to a robust small business community. Small businesses have higher multipliers when consumers buy more local goods & services; that is more money circulates in local economy. Small businesses are more reliable than large corporations (they don't offshore and if they move it's often not very far). Small businesses can be more dynamic: they promote smart growth, support walkable communities, and create a sense of place in the places they locate. They are usually committed to the community and have an unwritten compact with the larger community they serve.

In Michael Schuman's February 2012 report to Cabarrus County "Growing the Cabarrus County Economy from the Inside Out" he makes the following observations:

- Local businesses are currently the only significant creators of net jobs in the United States.
- Two peer-reviewed studies over the past year have decisively shown that local income growth and jobs growth correlates with presence of smaller businesses.
- A growing body of evidence shows that economic development focused on local business tends to be better at promoting more smart growth, entrepreneurship, self-reliance, sustainability, equality, and participation. And various trends in the economy, such as rising oil prices and spreading internet connectivity, are making local businesses relatively more competitive.
- The case for focusing on local business in Cabarrus County is especially strong, because roughly 83% of existing jobs are in local business.

It is important to keep in mind that the positive impacts of small businesses are not the solution to all economic development challenges. A community cannot thrive on small business alone. Corporate investment is just as important. However a community simply cannot prosper and grow without solid, thriving small business community.

In Kannapolis there are several locations where small businesses are thriving. Some of these locations are where small, local businesses embedded in large, corporate-based settings (Afton Ridge, NorthLite). Some are reliant on other positive attributes such as good visibility, high traffic counts, or the concentration of other small businesses (Cloverleaf, parts of Cannon Blvd, parts of Dale Earnhardt Blvd). Downtown Kannapolis and portions of Main Street represent

substantial growth opportunities for small businesses and, in fact, include some of the more stable, long-standing small businesses in the City.

*City Council support for small business initiatives is very strong.* At its 2012 Economic Development Summit six members of City Council ranked Small Business Development in the upper-tier of the seven areas. One of these six ranked this focus area as his top overall economic development priority and one ranked it as the second priority. Only one Councilmember ranked Small Business Development in the lower-tier of the seven focus areas. No member of City Council ranked this focus area as his lowest priority.

### **Objectives:**

1. Establish and market Kannapolis as a place that supports small business growth.
2. Create individual wealth and prosperity for our citizens.
3. Create jobs.
4. Build a great sense of community through thriving small businesses
5. Improve the City's image.
6. Establish a strong foundation for an independent local economy.
7. Promote economic development with the use of relatively limited public funds.

### **Key Challenges:**

1. Changing the culture is very important and this takes time. This is especially true in a community like Kannapolis where there are generations of the exact opposite culture that is engrained in its citizenry due to the monumental, century-long manufacturing influence (everybody always had a job). This culture change must begin with the City's youth. It is important to remember that most of today's elementary school students never laid eyes on Pillowtex/Cannon Mills. All they know in downtown Kannapolis is the North Carolina Research Campus.
2. It is hard to pick "winners" in the small business world. More small ventures will fail than succeed.
3. Small business efforts can take several years to see significant results. Patience is critical.
4. The next levels of wealth and job creation occur when businesses reach beyond existing local market. Local systems must be created to assist businesses with larger growth often via the internet.

### **Guiding Principles:**

1. A solid small business support effort in Kannapolis can be one of the more important impacts on the future vitality of Downtown Kannapolis.
2. Support of existing businesses in Kannapolis (to survive, maintain and expand) is a priority.
3. Roadblocks to small business development in Kannapolis should be minimized or eliminated.

4. More aggressive efforts to development an entrepreneurial spirit and culture in Kannapolis are critical to the future sustainability of the local economy.
5. Kannapolis citizens should be encouraged to support local businesses to the greatest extend practicable.
6. Partnerships must be strengthened and programs must not be duplicated. Key Partners include:
  - Cabarrus Regional Chamber of Commerce – policy, networking, community involvement, events.
  - RCCC Small Business Center SBC – education, counseling, referrals
  - Cabarrus County – regulatory barriers, education, market development (Buy Local).
  - City of Concord (and other municipalities) – small businesses do not (and cannot) be concerned about political boundaries.

### **Recommended Strategies:**

1. **Implement key initiatives of the updated Small Business and Entrepreneur Action Plan.** Market Street Services completed this study in 2008. It is currently being updated to reflect more of a Cabarrus County focus and to reflect the changing economy. The recommendations of that Plan should be incorporated into this plan upon its completion.
2. **Develop a small business outreach program.** The purpose of such a program would be to connect businesses to resources, shows the City’s appreciation for small businesses, and strengthens the relationship between the City and businesses. Examples include:
  - Façade and site improvement grants
  - New business orientation
  - Small business issues forums
  - Sponsor education, memberships, and/or networking events
  - Nominate businesses for Chamber awards.
  - Business recognition program to recognize businesses who have won local, state, national awards.
  - Create a “Thank You” small business appreciation event
  - Celebrate/promote Small Business Week
  - Assist businesses with job postings

This program might be a partnership between the City, the RCCC Small Business Center and merchants groups such as Downtown Kannapolis, Inc. The Cabarrus Chamber of Commerce may play a role as well.

3. **Perform an existing small business inventory and develop a strategy for fostering start-up businesses to fill the apparent voids.** As an example, the Schuman report sees opportunities (leakage) in Cabarrus County:
  - Professional services including architects, engineers, accountants, managers.

- Information services and telecommunications.
- Certain health care services.
- Private school education.
- Logistics intermediaries – trucking, couriers.

4. **Develop or support an aggressive youth entrepreneurship program.** Examples include: mentoring opportunities, business plan competitions, entrepreneurial leadership program. The goal of this program should be to educate our City's youth on concept of self-reliance rather than entitlements. *Note: The Cabarrus EDC has been provided with approximately \$80,000 in additional funding from the member jurisdictions (\$15,000 from Kannapolis), partly to begin to implement this initiative. This should be part of this larger economic development discussion.*

Consideration should be given to short-term programs to “jump start” this effort. Ideas may include: 1) a Teen Innovation Competition (possibly \$1,000 start-up cost to a business venture) and 2) a Teen Innovation Day Camp for Middle School age to expose students to the world of entrepreneurship. These efforts could be coordinated and co-funded with the Cabarrus Regional Chamber of Commerce or local merchants groups like Downtown Kannapolis, Inc.

5. **Encourage the Kannapolis Rotary Club to establish an active Vocational Service Program.** Rotary International recommends the following components (among others) of a successful program:

- Sponsor a career day for Rotarians to bring young people to their places of business to educate them about career opportunities.
- Encourage club members to join and take leadership roles in business and vocational associations.
- Sponsor a seminar for small business entrepreneurs and invite members of the community to participate.
- Hold informal professional networking events where members can meet other local professionals and introduce them to Rotary.
- Start a career counseling program geared towards equipping unemployed or underemployed adults with the skills they need to compete in the job market.
- Mentor a young person. Share your knowledge, skills, and values to help prepare your mentee to succeed in his or her academic and vocational pursuits.

6. **Perform a comprehensive and aggressive examination of the current land development regulations and business permitting process.** Identify opportunities to streamline permitting process and fees. Eliminate unnecessary land development or other regulations. One example would be to eliminate most or all parking restrictions in the downtown area and remove the signs.

7. **Incorporate a physical “one-stop shop” for development and business services in the new municipal building.**
8. **Re-examine the feasibility of establishing a small business accelerator (incubator) in Kannapolis.** This was an effort that was started several years ago but was not pursued beyond the initial fact finding stages. The idea of a NCRC specific incubator and a kitchen incubator to capitalize on the opportunities of the NCRC should be part of this examination. Support from Cabarrus County in regards to the kitchen incubator should be explored as a tie in to its local foods program.
9. **Explore the possibility of establishing an incentive-based program to encourage continuous maintenance and aesthetic improvements to existing businesses.**
10. **Actively support emerging merchants and business associations in Kannapolis. These include Downtown Kannapolis, Inc., and Kannapolis Business Alliance.** Two conditions should be placed on this support: a) they must collaborate with the Cabarrus Regional Chamber of Commerce so there are no “turf battles” and 2) they must be engaged in the implementation of the strategies included in this Economic Development Plan.
11. **Give some consideration to the work of Cabarrus County’s Council for a Local Sustainable Economy as potential strategies for our local businesses.** Michael Schuman February 2012 report to the Council (“Growing the Cabarrus County Economy from the Inside Out”) included the following ideas for our consideration (some are already incorporated in this Plan):
  - Local first directory
  - Local first advertiser
  - Local debit card
  - Local credit card
  - Local gift card
  - Local currency
  - Time dollars
  - B2B marketplace
  - Procurement cooperative
  - Local business mall
  - Direct delivery
  - Community loan funds
  - Angel recruiters
  - Small stock creation
  - Local stock exchange
  - Mentorships
  - Entrepreneur University
  - Incubator
  - Local food
  - Tourism
  - Baby boomers as entrepreneurs
  - Collaborative office space
  - Capital initiatives
  - Nightlife for creative class
  - Cut red tape
  - Buy local campaign

# X. Quality of Life Strategies

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## **Background:**

Why is addressing our community's quality of life part of a set of economic development recommendations? The answer, put rather bluntly, is that our future depends on it almost as much as any traditional economic development program, initiative or investment. Whether it is about a community's "soft" investments or about things to do, quality-of-life issues can play a significant role in the site selection process. Why is this true? It wouldn't be terribly important if we were the same Kannapolis of the past 100 years. But we are not. In fact we are changing more than most cities our size. Our future prosperity will include a wide range of business start-ups and relocations including those that invest heavily in human capital (far more than physical capital). High technology firms and industries dependent on highly specialized workers, quality of life directly affects the quality and cost of labor. For companies recruiting personnel on a regional or national basis, this has become a bottom-line issue. *In today's global marketplace where location means less, quality of life means more.*

A community's quality of life defines who we are and how we distinguish our community from others. It helps us connect with our built and natural environment. Quality of life can mean a physical sense of place, a social network of family, friends and co-workers, the concept of belonging to a neighborhood or a community. It nurtures achievement, goal aspiration, satisfaction. A good quality of life in a community attracts a wider range of demographics, workforce talent pool, fresh ideas and new perspectives.

High quality of life creates diverse business and employment opportunities. Safe and vibrant neighborhoods attract new investment. Cultural, social and economic diversity encourages community sustainability. It fosters leadership. Faithful stewardship of our environment and preservation of historical resources ensures future generations an opportunity to thrive and build upon our legacy.

Design and planning can either enhance or deteriorate quality of life. It sets the bar and guides enhancement strategies. People want to live in a nice place and a jobs / housing balance is key to a diverse economy and economic stability. Recreation and entertainment are significant economic development tools. Enhancements for residents and businesses become attractors to new residents and businesses.

More directly, quality-of-life factors are generally those things that influence the life that that a company's employees will lead during their time off. Cultural events, the quality of the local school systems, and accessibility to entertainment are common non-work activities. Most site selection consultants also include housing costs, the cost of living, and the availability of higher education as part of their decision making process.

*City Council support for quality of life initiatives is split.* At its 2012 Economic Development Summit four members of City Council ranked Quality of Life in the upper-tier of the seven focus areas. None of these four ranked this focus area as his top priority but one ranked it as his

second priority. Three members of City Council ranked Quality of Life in the lower-tier of the seven focus areas with two members of City Council ranking this focus area as their lowest priority.

### **Objectives:**

1. Improve the community's appearance and image.
2. Incorporate our community's history in telling the story of who we are.
3. Increase the lifestyle choices and amenities to encourage new residential growth.

### **Key Challenges:**

1. Property maintenance and neighborhood upkeep is a significant problem.
2. Trash on roadways and litter on vacant properties has increased in recent years.
3. Cookie cutter houses have been consistently built for the past twenty years.
4. Lack of tree preservation and tree planting.
5. Parks are not evenly distributed – the east side of Kannapolis needs more park investments.
6. There is a severe lack of wayfinding signage thorough the City.
7. There is a lack of community identity in the wake of the Pillowtex closure and the growth of the NCRC.
8. City Hall is in a rented storefront next to a Pizza Hut and the Police Department is located in an old funeral home. These do not provided good first impression to outside investors.
9. Too few downtown shops, too many vacant storefronts leave negative impression
10. Many of the City's streetscapes are unattractive.
11. Appearance of Cannon Boulevard, Midway and North Main Street leave much to be desired.
12. Some of the housing stock is beginning to decay in some older neighborhoods.
13. Car dependent, lack of sidewalks (especially in older neighborhoods) and not bicycle friendly
14. Lack of career opportunities (limited options for attracting or retaining young professionals).
15. Adult literacy is a problem that remains in the community.
16. Some in the community are unwilling to embrace change, not open to different ideas.
17. Apathy, lack of interest in getting involved and taking ownership.
18. Unhealthy lifestyles are the norm.

### **Guiding Principles:**

1. Improvements to our quality of life (livability, image, the environment, physical appearance, etc.) are critical to Kannapolis' future viability as a place for new investment.
2. Robust, high-quality residential growth and development is important on many levels, including its role in supporting new retail and commercial development.

3. As a way to maintain and improve our quality of life, the City's must continue to invest in core services that benefit the larger community (public safety, utilities, transportation, parks and recreation, sanitation, etc.).

### **Recommended Strategies:**

1. **Develop and implement a comprehensive Kannapolis appearance improvement initiative.** This would be a comprehensive clean-up and appearance improvement campaign that addresses litter and code enforcement violations through community and neighborhood involvement coupled with city services. Components of this initiative would likely include some or all of the following:
  - a. Adoption programs (Adopt-a-Street program. Adopt-a-Park. Adopt-an-Intersection. Adopt-a-Stream). The key to success is to keep the areas small. Large stretches of streets are unlikely to be consistently managed. City may need to provide an incentive – cash or in-kind support, awards, etc.
  - b. Programs to reduce litter and illegal dumping.
  - c. Graffiti removal programs.
  - d. Periodic neighborhood clean-up days. An example can be found in Santa Clarita, California, the “Extreme Neighborhood Makeover” program creates partnerships among the city, local businesses, volunteers, and communities to resolve neighborhood code enforcement issues and to stabilize and enhance property values. The program invites neighborhood households to a block party where they join city employees in removing trash, eradicating graffiti, and planting trees. The city then works with neighborhood residents to create a list of needed improvements and to address potential code violations. The event costs about \$4,500, but city officials have found the program's positive results far outweigh the cost.
  - e. Develop incentives/rewards to engage neighborhoods – signage, beautification.
  - f. Eyes on the Street program (sort of “deputizing” citizens to be eyes in the community to report littering, illegal dumping or other community appearance violations).
  - g. Robust public education program. Creating a more attractive community will not change without a significant cultural shift. After two droughts, the City of Kannapolis was successful in changing public attitudes regarding water conservation. This could be duplicated, in part, with communication efforts related to litter and community appearance.
  - h. Increased City resources to conduct regular corridor clean-ups and increased corridor management (mowing, etc.).
  - i. Proactive code enforcement. This will be important but will require additional resources. Might begin at gateways and major corridors. Because this service is largely paid for via private contracts, a performance based code enforcement system could prove to be very successful. Using CDBG funds, a proactive code enforcement effort was implemented in 2012 for the Carver Neighborhood.
  - j. More appealing entry ways. Gateways – signage, landscaping. Gateway Enhancement Program proposes City setting aside 1% of capital improvement projects into a capital reserve fund used for gateway enhancement and possibly



public art. Could have sponsored program, but may be unlikely to achieve desired impact and quality level

- k. Expansion of Community Development Target Areas would give staff greater flexibility to address deteriorated structures and residential and commercial problem properties.
  - l. Reconsider the Rental Registration Program aimed at targeting problem rental properties. This program was met with opposition from rental property owners when it was first proposed. However there are components of that program that most would agree would be positive additions to the existing code enforcement efforts.
  - m. Improved ability to pursue and collect on liens. This might result in the City being the ultimate owner of properties which is a potential complication.
  - n. Increased enforcement of signage violations: commercial and temporary.
2. **Establish an aggressive and organized volunteerism program.** Initiatives include cleanup, landscaping projects, serving as city ambassadors. Creating a sense of volunteerism at all ages and youth involvement in civic activities is important to create a more cohesive, progressive community which will help economic recruitment efforts over the long term.
  3. **Continue to invest in street and sidewalk and greenway improvement projects.** The current 10-year CIP includes numerous sidewalk and greenway projects.
  4. **Establish an Urban Forestry Program.** The goal would be to plant new trees and serve as an advocacy program for preservation and protection of existing trees. The primary goal would be to coordinate a tree planting program that focuses on adding street trees and trees in parks, especially in and around children's play areas. It should be accomplished by establishing planting partnerships with local businesses and community partners. Boy Scout troops, churches and similar groups should be the types of groups involved.
  5. **Improve the City's overall quality of life by continuing to invest in parks and the City's downtown.** The current 10-year CIP includes a number of new park improvements. \$3 million remains in NCRC bond proceeds for new economic investments (possibly downtown).
  6. **Enhance Village Park and make it a greater destination.** Village Park Phase III is included in the 10-year CIP.
  7. **Develop and implement a citywide wayfinding system that communicates the City's brand and highlights key assets.**
  8. **Refine the Let's Move! campaign to correspond to the City's branding effort.** The ultimate goal is to develop programming and assets to improve residents' lifestyles and health.
    - a. Parks & Recreation programs

- b. Sidewalks, greenways, bike lanes
- c. Partnership with schools, other institutions
- d. Community gardens

# XI. Tourism Strategies

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## **Background:**

Tourism enhances the quality of life for a local community by providing jobs, bringing in tax dollars for improvement of services and infrastructure, and attracting facilities like restaurants, shops, festivals, and cultural and sporting venues that cater to both visitors and locals.

Travel and tourism is one of the world's largest service exports and largest employers. For example, according to Destination Marketing Association International, in the United States, travel and tourism is the third biggest retail sales sector. The industry contributes more than \$599.2 billion annually to the nation's economy and generates \$99.4 billion in tax revenues (2004 figures). Travel and tourism can be an economic engine if strategic investments are made and promoted.

There are a number of practical benefits to facilitating a robust local tourism industry:

- Creates community pride.
- Builds a "sense of place" and identity.
- Brings people together (residents, business owners and visitors).
- Positive fiscal impacts.
- Creates community partnerships and fundraising opportunities for community Non-Profit organizations (Rotary, YMCA, Schools, Cooperative Christian Ministries, etc.).
- Stimulates community and downtown revitalization.
- Promotes volunteerism.
- Promotes and enhances downtown revitalization.
- Creates opportunities to engage local businesses in community decision making.
- Represents "clean" economic development: visitors arrive, spend money, leave.
- Fosters the idea that the community is economically vibrant.
- Opportunity to "package" local assets.
- Creates cultural consumption that benefits local residents through infusion of visitors.
- Creates retail/service sector jobs.
- Generates sales tax revenue and lodging tax revenue.
- Supports small businesses (93% of businesses saw festivals good for local communities - Cornell Study, 2009)
- Recession resistant – past three years hotel occupancy rates continued to climb 2008-2011 even with increased inventory.
- Lower cost than traditional economic development.

*City Council support for the Tourism initiatives is weak (the least supported of all the focus areas). At its 2012 Economic Development Summit one member of City Council ranked Tourism in the upper-tier of the seven focus areas (as his second priority). Six members of City Council ranked Tourism in the lower-tier of the seven focus areas with two members of City*

Council ranking this focus area as their lowest priority and three ranking it as their second lowest priority.

Even though Tourism as a separate focus area received limited support at the Economic Development Summit, City Council did place slightly higher value on downtown growth initiatives. Many of these tourism strategies are tied to downtown revitalization initiatives and those strategies are tied to the success of the NCRC. City Council also placed a slightly higher value on quality of life initiatives which tourism can play a key role in supporting.

### **Objectives:**

1. Support and promote existing tourism assets.
2. Explore ideas for developing new tourism opportunities to attract additional economic growth and prosperity to Kannapolis.

### **Key Challenges:**

1. City Council support for tourism is limited.
2. Inconsistent, piecemeal tourism can have little or no lasting impact on the local economy.
3. The Cabarrus Convention and Visitors Bureau (CCVB) is largely focused on the tourism assets of I-85 Exit 49 (Speedway, Concord Mills). This is not a criticism; that is where the majority of the tourism revenues are generated in Cabarrus County so a focus there is understandable. The CCVB does include Kannapolis' tourism assets in their promotional efforts.
4. The CCVB historically (and currently) provides little to no funding for asset development (only asset promotion).
5. Kannapolis is often in the middle between two tourism programs in Rowan and Cabarrus County, neither of which Kannapolis is the focal point.

### **Guiding Principles:**

1. Tourism investments and programs should have as broad an impact on other focus areas as possible (small business support, quality of life enhancements, downtown revitalization, NCRC growth).
2. Tourism investments and programs should strive to benefit current residents to the greatest extent possible.

### **Recommended Strategies:**

1. **Support and implement the proposed branding process and integrate tourism strategies in accordance with the findings.** Those strategies including here that concur with the findings should be enhanced and pursued. Those that are in conflict should be removed from the plan.

2. **Explore the creation and development of new tourism assets and prepare a report outlining the challenges and opportunities.** Ideas may include a hotel/meeting center, Discovery Place, history museum, NCRC tour/education center.
3. **Focus time and resources enhancing and promoting the City's existing tourism assets.** These would include the CMC-Northeast Stadium/Kannapolis Intimidators, Village Fest (and 2013 Jiggy with the Piggy BBQ festival), Modern Film Festival, the Downtown Farmers Market, the North Carolina Music Hall of Fame, the Curb Motorsports Museum, Village Park including the Summer Events Series, renovated Veterans Park, Christmas Festival and Christmas Parade, the NCRC, Stewart-Haas Racing, the Dale Earnhardt Plaza and the Dale Trail.
4. **Develop and market the "Loop" and downtown street network as destination for exercise.** Reinforce this effort through signage, markers, unique sidewalk treatments, web site information, maps.
5. **Continue to influence the redevelopment/reuse of the former K-town Furniture site.** Consider potential for public/community uses.
6. **Support and promote baseball stadium and team owners.** Strongly consider substantial upgrades prior to the current lease expiration in 2017.
7. **Promote and create new festivals/events.**
8. **Complete Veterans Park improvements as both a memorial and a tourist destination.** The names of those service members who died will be expanded to include all of Cabarrus and Rowan counties which will make for a larger tourist draw. This park should be included as a downtown tourism asset and appropriately promoted as such.
9. **With the assistance of the Kannapolis History Associates, develop a Historic Asset Inventory and Promotion Plan.** Historic preservation efforts can be phased in. At a minimum the plan should include an examination of:
  - Heritage trail.
  - Historic markers.
  - Mill Village National Register of Historic Places designation.
  - Cannon Village National Register of Historic Places designation.
  - Development and promotion of small "mini-museums" including Rotary Hall, the Kannapolis History Associates History Room and Museum at A.L. Brown, UNC NRI History Wall, Renovated Veterans Park.
10. **Working with the NCRC partners, Develop a plan to add NCRC university flags to the NCRC site.** This idea could be expanded to include other non-university partners on the campus.

9. **Continue to explore ways to open the NCRC to regular tours and site visits possibly including the creation of an NCRC Education Center.** This initiative would be designed to communicate and promote the research mission of the NCRC to a broad audience, locally, regionally and beyond.
10. **Examine opportunities the further the support of Mike Curb's investments in Kannapolis, including the Curb Motorsports Museum and the N.C. Music Hall of Fame.** This might include additional financial support, continued marketing partnerships and the exploration of options to facilitate the relocation and enlargement of the current operation. Ideas to encourage Mike Curb to become a more prominent investor in Kannapolis should be explored.
11. **Continue to explore the possibility of a downtown hotel as the demand increases.** A feasibility study was completed which indicated that a hotel was feasible in downtown Kannapolis but not without a substantial public subsidy. For the next several years there is simply too much inventory in the Cabarrus region which makes new projects (anywhere) very difficult.
12. **Inventory our tourism assets so we can package and sell them.** This would be a simple written document identifying them. It should be incorporated into branding/marketing strategy.
13. **Continue to examine the development of new tourism assets.** These might include children's theatre, children's museum (e.g., Discovery Place), a new kind of library, meeting space, NCRC education center, history assets described above. Because Tourism initiatives ranked low on City Council priorities it is unlikely that many of these ideas will gain much traction. As a result they should be viewed only as "projects of future opportunity" but not shelved completely.
14. **Promote the downtown as a destination trailhead for the Carolina Thread Trail/Greenway.**
15. **Develop and promote current and future athletic tournaments and events (adult/youth) in the City.** Examples 5k/10k races, Rotary Nutrithon, Disc Golf, Ultimate Frisbee, Intimidator baseball games and non-baseball events at CMC-NE Stadium, professional and amateur golf events at the Club at Irish Creek, high school sporting events.

## XII. Appendix

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# Kannapolis City Council Economic Development Summit

April-May 2012

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## Overall Economic Development Focus Areas

(highest priority = 7 points; lowest priority = 1 point)

1. **Industrial/Corporate Development** (5.14 avg. points given; median points = 4)
2. **NCRC** (4.71 avg. points given; median points = 4)
3. **Workforce Development** (4.57 avg. points given; median points = 4)
4. **Small Business Development** (4.43 avg. points given; median points = 4)
5. **Quality of Life** (3.71 avg. points given; median points = 4)
6. **Downtown** (3.71 avg. points given; median points = 3)
7. **Tourism** (2.42 avg. points given; median points = 2)

## Industrial/Corporate Development

Five members of City Council ranked Industrial/Corporate Development in the upper-tier of the seven focus areas. Four of these five members of City Council ranked this focus area as their top priority. Two ranked this focus area in the lower-tier of the seven areas, one of whom ranked it as his lowest priority.

*The ideas listed below received more than one vote by members of City Council (1 through 5, with 5 being the highest) or received at least 5 total points. The ideas in red received: 1) the most points, and/or 2) at least three votes, and/or 3) at least two votes in the top tier (4 or 5 points).*

### **Physical Improvements** (5 of 5 ideas received votes; 3.60 avg. points given)

- Improve quality of life by continuing to invest in parks and center city
- Identify a site for purchase by City to develop a new business park
- Duplicate our experience with Kannapolis Gateway Business Park
- Invest to get Gateway Business Park's last parcels shovel ready

### **Initiatives and Programming** (14 of 16 ideas received votes; 2.90 avg. points given)

- **Recruit private investors/partnerships**
- Develop a master plan for a medical/technology corridor (Kannapolis Parkway and Mooresville Road)
- Determine the business sectors we wish to recruit; focus and prioritize
- Continue and expand our close collaboration with Rowan and Cabarrus EDCs
- Develop an industrial spec building program including city subsidies
- Identify food and health companies (Fisher Scientific) to lure them here for distribution/product development
- Establish guidelines for performance and provide to County EDC
- Support expansion of existing industrial/corporate businesses



**Marketing and Business Recruitment** (5 of 7 ideas received votes; 2.89 avg. points given)

- Allocate staff and funding to directly market Kannapolis properties/parcels; do it ourselves
- Become more aggressive in recruitment of all businesses

## **North Carolina Research Campus (NCRC)**

Five members of City Council ranked the NCRC in the upper-tier of the seven focus areas. One member of City Council ranked the NCRC as his top overall economic development priority and one ranked it as the second priority. Three ranked this focus area as the third highest priority of the seven areas. Two ranked the NCRC in the lower-tier of the seven focus areas. No member of City Council ranked the NCRC as his lowest priority.

*The ideas listed below received more than one vote by members of City Council (1 through 7, with 7 being the highest) or received at least 7 total points. The ideas in red received: 1) the most points, and/or 2) at least three votes, and/or 3) at least two votes in the top tier (5, 6 or 7 points).*

**Initiatives and Programming** (8 of 16 ideas received votes; 4.17 avg. points given)

- Explore the development of retail on campus as opposed to downtown; may be a better opportunity this way
- Create foundation/non-profit to promote and represent campus with a single voice

**Physical Improvements** (13 of 15 ideas received votes; 4.00 avg. points given)

- Develop a business park on campus (City) if NCRC would relinquish to City
- Develop gateways into NCRC to create sense of arrival; visual signage, etc.  
Revitalize downtown by purchasing K-Town or other space for quality of life improvements

**Outreach/Public Education/Communication** (8 of 9 ideas received votes; 3.58 avg. points given)

- Direct face to face connect with Lynne Safrit and C&C representatives
- Community feel more at ease with NCRC; local people are intimidated, make more friendly
- Get input of downtown advocates
- Recognize assets coming out of NCRC such as products emerging as a result of research; publicize; benefits

**Marketing** (5 of 9 ideas received votes; 4.38 avg. points given)

- Develop a cohesive marketing strategy and materials for campus
- Incorporate universities presence at NCRC in marketing plan for City
- City should dedicate staff employee to recruit/develop small business opportunities on NCRC

## Workforce Development

Five members of City Council ranked Workforce Development in the upper-tier of the seven focus areas. One of these five ranked this focus area as his top overall economic development priority and two ranked it as their second priority. Two councilmembers ranked Workforce Development in the lower-tier of the seven focus areas, one of whom ranked it as his lowest priority.

*City Council did not rank individual initiatives and ideas. The ideas discussed at the Economic Development Summit are included below as information.*

### Non-Action Ideas/Thoughts

- Education and economic development are two sides of the same coin, but different entities are in charge of each
- Overcome impression that we in dire straits overall, some issues are self-correcting
- Work ethic is strong

### Strategic Planning

- Revisit 2008 community input from education & workforce plan

### Civic Education

- Spread message (to youth etc.) on how important it is to be involved in civics

### County/NCRC Communications and Relationship

- Encourage County to review Kannapolis education data
- City take active role in supporting, assisting, and expanding NCRC public lecture series
- Increase connection/inspiration factor of schools with relationship to NCRC

## Small Business Development

Six members of City Council ranked Small Business Development in the upper-tier of the seven areas. One of these six ranked this focus area as his top overall economic development priority and one ranked it as the second priority. Only one Councilmember ranked Small Business Development in the lower-tier of the seven focus areas. No member of City Council ranked this focus area as his lowest priority.

*The ideas listed below received more than one vote by members of City Council (1 through 5, with 5 being the highest) or received at least 5 total points. The ideas in **red** received: 1) the most points, and/or 2) at least three votes, and/or 3) at least two votes in the top tier (4 or 5 points).*

### Outreach and Assistance Programs (5 of 10 ideas received votes; 3.00 avg. points given)

- Training program to assist in developing small businesses
- Establish funding for small business outreach program that included networking, etc.

**General Encouragement** (4 of 6 ideas received votes; 4.40 avg. points given)

- **Welcome and encourage small business development in Kannapolis**
- How can the City best encourage small business development in Kannapolis
- Encourage our citizens to support local businesses

**Incubator** (3 of 4 ideas received votes; 3.50 avg. points given)

- Find a space for a small business incubator; City help locate and provide

**Recruitment** (3 of 4 ideas received votes; 2.50 avg. points given)

- Target small business we would like to see in downtown and pursue them

**Youth** (3 of 4 ideas received votes; 2.25 avg. points given)

- Educate our young people on concept of self-reliance rather than entitlements

**Incentives/Financing** (3 of 3 ideas received votes; 3.00 avg. points given)

- Develop an incentive bases package to encourage continuous maintenance and aesthetic improvements to existing businesses
- Establish a small business loan program for expansions/locations
- Set up a façade improvement grant program

**Permitting/Regulation/Licensing** (2 of 3 ideas received votes; 2.25 avg. points given)

- **Streamline permitting fees, and procedures; a one-stop shop**

**Other** (1 of 2 ideas received votes; 2.50 avg. points given)

- Meet with Chamber and EDC to eliminate duplication of services

## **Downtown**

Three members of City Council ranked Downtown in the upper-tier of the seven areas. One of these six ranked this focus area as his top overall economic development priority and one ranked it as the second priority. Four members of City Council ranked Downtown in the lower-tier of the seven focus areas with one member of City Council ranking this focus area as his lowest priority.

*The ideas listed below received more than one vote by members of City Council (1 through 7, with 7 being the highest) or received at least 7 total points. The ideas in **red** received: 1) the most points, and/or 2) at least three votes, and/or 3) at least two votes in the top tier (5, 6 or 7 points).*

**New Assets: Cultivate/Develop/Expand** (6 of 11 ideas received votes; 4.22 avg. points given)

- **Construct city hall/police station downtown**
- Purchase K-Town to construct a civic center, meeting place, Discovery Place, and Music Hall of Fame all in one place

**Support Services/Infrastructure** (4 of 9 ideas received votes; 3.25 avg. points given)

*No highly ranked ideas.*

**Downtown as Tourism Destination** (5 of 6 ideas received votes; 3.50 avg. points given)

- Veteran's Memorial -- tourist destination
- Create downtown activities for kids to bring family events downtown

**Financing** (4 of 6 ideas received votes; 3.50 avg. points given)

- Subsidize upfit costs for new and expanded business
- Lease subsidies to new businesses in downtown

**Promotion/Marketing/Identity/Branding** (3 of 5 ideas received votes; 3.75 avg. points given)

- **Conduct an independent market study**

**Business Mix/Recruitment** (4 of 4 ideas received votes; 4.29 avg. points given)

- Identify business model; i.e. what businesses do we want to attract?
- **More mixed use; promotes nightlife, security, etc.**
- More eating establishments
- Attract new businesses

**Networking/Partnerships** (2 of 4 ideas received votes; 5.00 avg. points given)

- **Partner with Castle and Cooke to identify alternative uses for downtown**
- Form joint partnership between NCRC, AAP and City to create a business incubator for placing business downtown; formalize it

**General Planning/Teambuilding/Core Values** (2 of 4 ideas received votes; 3.80 avg. points given)

- **Diversify/localize some of the property ownership**

**Residential/Housing** (2 of 3 ideas received votes; 1.50 avg. points given)

*No highly ranked ideas.*

**Existing Assets: Build Upon/Strengthen/Maintain** (1 of 3 ideas received votes; 6.0 avg. points given)

*No highly ranked ideas.*

**Other Initiatives** (0 of 3 ideas received votes; 0.00 avg. points given)

*No highly ranked ideas.*

## Quality of Life

Four members of City Council ranked Quality of Life in the upper-tier of the seven focus areas. None of these four ranked this focus area as his top priority but one ranked it as his second priority. Three members of City Council ranked Quality of Life in the lower-tier of the seven focus areas with two members of City Council ranking this focus area as their lowest priority.

*The ideas listed below received more than one vote by members of City Council (1 through 5, with 5 being the highest) or received at least 5 total points. The ideas in red received: 1) the most points, and/or 2) at least three votes, and/or 3) at least two votes in the top tier (4 or 5 points).*

**Support Services/Infrastructure** (8 of 9 ideas received votes; 2.86 avg. points given)

- More appealing entry ways
- Clean up our City including roadways and neighborhoods
- Improve roads and streets; narrow, sidewalks, etc.
- Expand sidewalk building program

**Existing Assets: Build Upon/Strengthen/Maintain** (5 of 6 ideas received votes; 3.00 avg. points given)

- Enhance Village Park and make it a greater destination
- Create a vital central business district with a sense of arrival and a place together
- Expand efforts in historic preservation

**General Planning/Teambuilding/Core Values** (4 of 5 ideas received votes; 4.00 avg. points given)

- Establish priorities as to issues we tackle first
- Downtown revitalization and revival of town in general is at top of list; tell the story in all we do

**New Assets: Cultivate/Develop/Expand** (2 of 4 ideas received votes; 1.50 avg. points given)  
*No highly ranked ideas.*

**Financing** (2 of 2 ideas received votes; 1.00 avg. points given)  
*No highly ranked ideas.*

**Promotion/Marketing/Identity/Branding** (1 of 2 ideas received votes; 5.00 avg. points given)

- Change our image

**Networking/Partnerships** (1 of 2 ideas received votes; 4.00 avg. points given)

- Promote and implement a community fix-up campaign involving volunteers, churches, businesses, and City

## **Tourism**

One member of City Council ranked Tourism in the upper-tier of the seven focus areas (as his second priority). Six members of City Council ranked Tourism in the lower-tier of the seven focus areas with two members of City Council ranking this focus area as their lowest priority and three ranking it as their second lowest priority.

*The ideas listed below received more than one vote by members of City Council (1 through 7, with 7 being the highest) or received at least 7 total points. The ideas in red received: 1) the*

*most points, and/or 2) at least three votes, and/or 3) at least two votes in the top tier (5, 6 or 7 points).*

**New Assets: Cultivate/Develop/Expand** (8 of 15 ideas received votes; 3.25 avg. points given)

- Promote and create new festivals/events
- History museum

**Existing Assets: Build Upon/Strengthen/Maintain** (10 of 13 ideas received votes; 3.50 avg. points given)

- Open NCRC to tours, site visits, etc.
- How we advertise/market the Dale Trail, Earnhardt legacy, etc.
- **Support and promote baseball stadium**
- Relocate and enlarge NC Music Hall of Fame
- Stewart-Haas Racing

**Support Services/Infrastructure** (5 of 7 ideas received votes; 4.50 avg. points given)

- Clean up our city

**Promotion/Marketing/Identity/Branding** (4 of 7 ideas received votes; 5.33 avg. points given)

- **Develop a brand that integrates textile and motor sport history with health and nutrition**

**Downtown as Destination** (4 of 5 ideas received votes; 4.13 avg. points given)

- **Recreate downtown into a desirable destination--restaurants, shops, etc.**
- Help create downtown as a tourist-friendly place (water features, wayfinding, etc.)
- Downtown hotel

**General Planning/Teambuilding/Core Values** (4 of 4 ideas received votes; 5.00 avg. points given)

- **Inventory our tourism assets so we can package/sell them**

**Networking/Partnerships** (1 of 2 ideas received votes; 2.00 avg. points given)

*No highly ranked ideas.*