

V-E ECONOMY

The City of Concord, along with Cabarrus County and the surrounding region, enjoys a strong and diverse economy as evidenced by the substantial investments made in recent years by the many new and expanding businesses (Table V-E-1). Ninety-six manufacturers brought investments totaling more than \$652 million and 1,152 new jobs into the County from 1997 to 2001. During this same time period, 783 non-manufacturing businesses invested more than \$730 million in Cabarrus County, resulting in the creation of 6,700 new jobs.

**Table V-E-1
Jobs and Investments in Cabarrus County, 1997-2001
New and Expanded Businesses**

1997			
	Number of Businesses	Jobs Created	Investment
Manufacturing	20	135	\$11,026,468
Non-manufacturing	203	1,389	\$264,371,100
1997 Totals	223	1,524	\$275,397,568
1998			
	Number of Businesses	Jobs Created	Investment
Manufacturing	20	216	\$25,296,131
Non-manufacturing	111	2,135	\$178,011,635
1998 Totals	131	2,351	\$203,307,766
1999			
	Number of Businesses	Jobs Created	Investment
Manufacturing	15	132	\$44,259,444
Non-manufacturing	149	860	\$96,241,505
1999 Totals	164	1,092	\$140,500,949
2000			
	Number of Businesses	Jobs Created	Investment
Manufacturing	24	607	\$567,962,850
Non-manufacturing	201	977	\$95,840,651
2000 Totals	225	1,584	\$663,803,501
2001			
	Number of Businesses	Jobs Created	Investment
Manufacturing	17	62	\$3,555,875
Non-manufacturing	119	1,340	\$95,951,583
2001 Totals	136	1,402	\$99,507,458

(Source: Cabarrus Economic Development, Annual Reports 1997-2001)

The strong business investment climate has been supported by extensive building construction within the City of Concord in recent years. Data provided by the Cabarrus County Office of Public Safety Services indicates that 49 new industrial buildings were permitted between 1999 and 2002, with an estimated total value of more than \$38 million. The year 2000 was a particularly good year for industrial development within the City, with construction of 27 industrial buildings valued at nearly \$28 million. From 1999 to 2002, there were 70 office and bank buildings constructed with an estimated total value of more than \$18 million. Construction of commercial buildings has been the most prolific within the last 4 years, with 256 permits issued with an estimated value of more than \$151 million.

1. Employment and Workforce

Concord has a motivated, well-educated workforce. More than 79% of residents 25 years and older have a high school diploma and 23% hold a bachelors degree. Concord has a civilian labor force of nearly 30,000 persons aged 16 and older. The City’s unemployment rate in 2000 was 5.4%, up from the 4.1% unemployment rate reported in 1990. Unemployment in the City is somewhat higher than in the County as a whole, but very similar to the overall unemployment rate for the State of 5.3%. Table V-E-2 includes labor force and employment information for Concord, Cabarrus County and North Carolina.

**Table V-E-2
Civilian Workforce and Unemployment, 2000
(Persons Age 16 and Older)**

	Civilian Labor Force	Employed	Unemployed	Unemployment Rate
Concord	29,775	28,167	1,608	5.4%
Cabarrus County	69,934	66,970	2,964	4.2%
North Carolina	4,039,732	3,824,741	214,991	5.3%

(Source: US Census Bureau, Census 2000)

According to recent data from the North Carolina Employment Security Commission, Cabarrus County unemployment was 4.9% in November of 2002, up slightly from 4.8% in October but down significantly from a high of 7.0% in January of the same year. There was a steady decline in County unemployment in the second half of 2002, lowering from 5.7% in July to 4.8% in October. This trend was also reflected in State and national unemployment during that same time period, with Cabarrus County unemployment well under that of the State and nation. The 2001 annual unemployment rate for the County (5.5%) was the highest since 1992, when unemployment reached 5.8%. Cabarrus County enjoyed extremely low unemployment in the late 1990s and in 2000, when rates ranged from 2.0% (1999) to 2.6% (2000). The recent changes in unemployment have paralleled similar trends across North Carolina and the Country as the economy has waivered ~~waned~~.

The textile industry has been severely impacted in the Piedmont region of North Carolina. Recent plant closures in other manufacturing sectors have resulted in major impacts on the local job market as well, as many companies took advantage of lower foreign labor costs. Many of the manufacturing jobs lost in the past few years likely won't ever return in this era of the global economy. Additionally, current trends seem to indicate that lower paying service and retail oriented jobs are replacing higher paying jobs lost in the textile and other manufacturing sectors of the economy. This will be a factor to consider in the coming years in terms of housing costs, education, and the delivery of public services. The City will also face increased competition from other cities throughout the region and country for quality jobs and business growth.

While abundant local job opportunities enable many Concord workers to live near their place of employment, a significant portion of the Concord workforce travel outside the County to work. Nearly 55% of the Concord workforce works within Cabarrus County, while 44% commute to another county to work. Mean travel time to work for Concord commuters is 26.1 minutes. Nearly 39% of workers traveled more than 30 minutes to work. Of these, 6.3% have a commute time of an hour or more. More than 61% of commuters traveled less than 30 minutes to work, and of these nearly 28% have a commute of less than 15 minutes. It is not surprising that the destination of more than 75% of residents commuting to work outside the County is Mecklenburg County and the Charlotte area. Of individuals commuting into Cabarrus County to work, 66% are from neighboring Rowan County and 18% are from Mecklenburg County. Table V-E-3 shows the commuting patterns to and from nearby counties, including Cabarrus.

**Table V-E-3
Commuting Patterns within the Cabarrus Region, 1996**

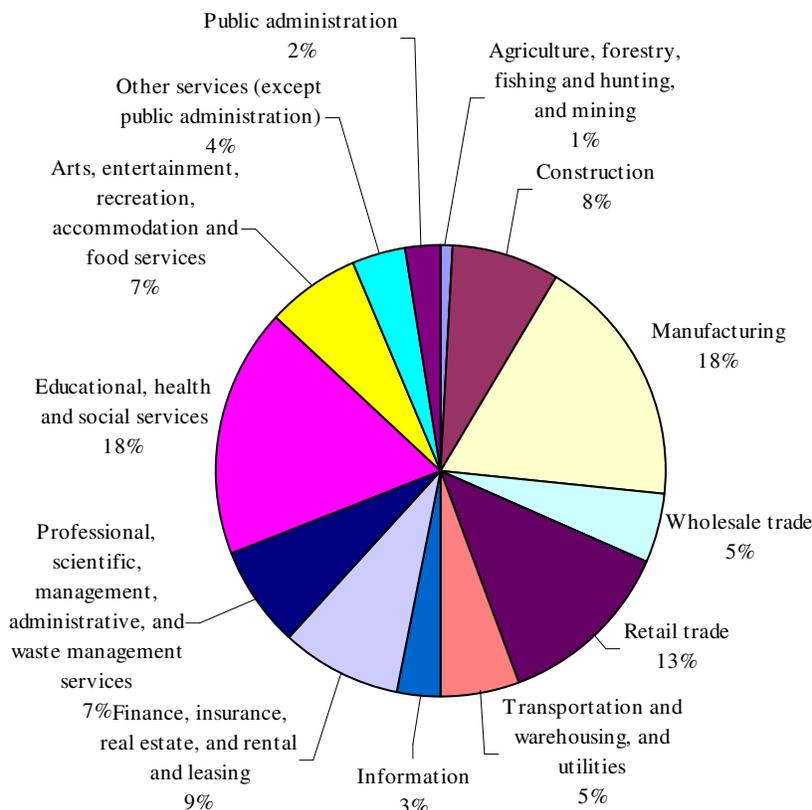
Out-Commuters From	In-Commuters To													Total
	Anson	Cabarrus	Catawba	Cleveland	Gaston	Iredell	Lancaster	Lincoln	Mecklenburg	Rowan	Stanly	Union	York	
Anson	--	21	0	0	0	21	9	0	301	0	315	1,724	12	2,403
Cabarrus	43	--	22	7	165	212	0	33	16,603	2,960	598	374	63	21,080
Catawba	0	71	--	71	198	859	0	1,273	1,436	52	0	0	0	3,960
Cleveland	0	10	573	--	4,910	29	0	354	1,144	45	12	9	153	7,239
Gaston	19	134	182	2,108	--	93	15	1,458	16,624	54	0	92	917	21,696
Iredell	0	301	1,541	6	122	--	0	79	5,932	1,144	23	43	24	9,215
Lancaster,SC	8	25	0	7	47	0	--	0	3,655	0	0	1,229	1,780	6,751
Lincoln	0	62	3,652	321	3,421	198	0	--	4,105	50	0	13	98	11,920
Mecklenburg	63	2,218	170	243	3,596	819	25	174	--	398	258	2,681	2,389	13,034
Rowan	11	8,040	59	10	68	1,789	0	27	3,278	--	399	69	22	13,772
Stanly	180	1,038	12	12	26	30	21	0	2,656	458	--	523	36	4,992
Union	224	172	28	0	97	25	211	11	14,949	51	194	--	238	16,200
York,SC	0	98	12	231	2,745	32	483	25	16,849	19	0	195	--	20,689
Total	548	12,190	6,251	3,016	15,395	4,107	764	3,434	87,532	5,231	1,799	6,952	5,732	152,951

(Source: Cabarrus Economic Development, "Information Guide." 2000)

The occupations represented within Concord’s workforce reflect its major employers, business and residential sector growth, location within the Charlotte trade area, proximity to major transportation routes and the Charlotte Douglas International Airport. As shown in Figure V-E-1, the 2000 Census data shows that more than 18% of employees in the City work in manufacturing, while another 18% work in education, health and social services. Nearly 13% of the workforce is employed in retail trade and 8.7% work in finance, insurance, real estate and rental and leasing. Almost 8% of workers are employed in construction and 7% work in professional, scientific, management, administrative and waste management services. While 6.8% of the workforce is employed by arts, entertainment, recreation, accommodation and food services, more than 5% work in transportation, warehousing and utilities. Less than 1% of the workforce is engaged in agriculture, forestry, fishing, hunting and mining – a reflection of the gradual conversion of farmland to residential, commercial or industrial uses. Appendix E shows actual persons working within each industry in addition to percentage from the 2000 Census.

Figure V-E-1

City of Concord, Percent Employment by Industry 2000

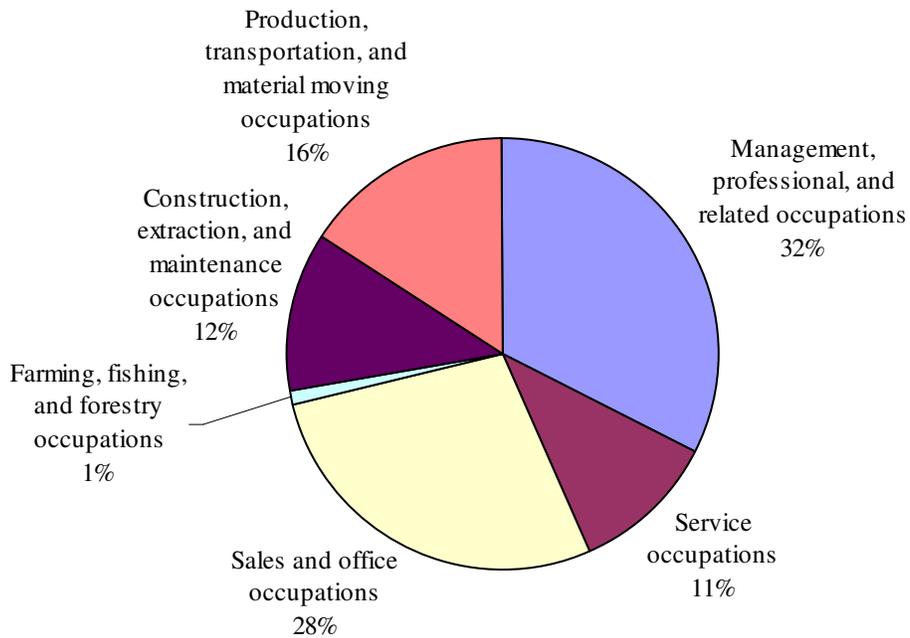


Source: US Census Bureau, Census 2000 Summary File 3)

Proximity to Charlotte’s banking and commerce community, major health care centers and higher education facilities, as well as the proliferation of large-scale commercial enterprises, have significantly influenced Concord’s occupational profile. Nearly 33% of employed Concord residents work in management, professional and related occupations, while almost 28% work in sales and office occupations. Sixteen percent of Concord’s workforce is employed in production, transportation and material moving occupations and 12% work in construction, extraction and maintenance fields. Eleven percent of workers are in service related jobs, while only 1% are employed in farming, fishing and forestry. Figure V-E-2 illustrates the percent of the population employed by occupational category. Appendix E shows actual persons working within each category in addition to percentage from the 2000 Census.

Figure V-E-2

**Occupation of Employed Civilian Population
City of Concord, 2000**



(Source: US Census Bureau, Census 2000 Summary File 3)

2. Major Employers

The Concord Mills shopping and entertainment complex is by far the largest employer within the City, with 4,000 employees of the more than 225 businesses located within the shopping center. Philip Morris, Inc. is the largest manufacturing employer in Cabarrus County and the 7th largest manufacturing employer in North Carolina. The Carolina Mall, CTC, and Sysco Food Services are among the area's other major employers (Table V-E-4).

Medical, educational and governmental employers provide jobs to a large percentage of the Concord area workforce and rank near the top of the list of major employers in the City. NorthEast Medical Center is the second largest employer in the City. The Cabarrus County School District, Cabarrus County and the City of Concord employ over 3,000 people.

**Table V-E-4
Major Employers, City of Concord, 2002**

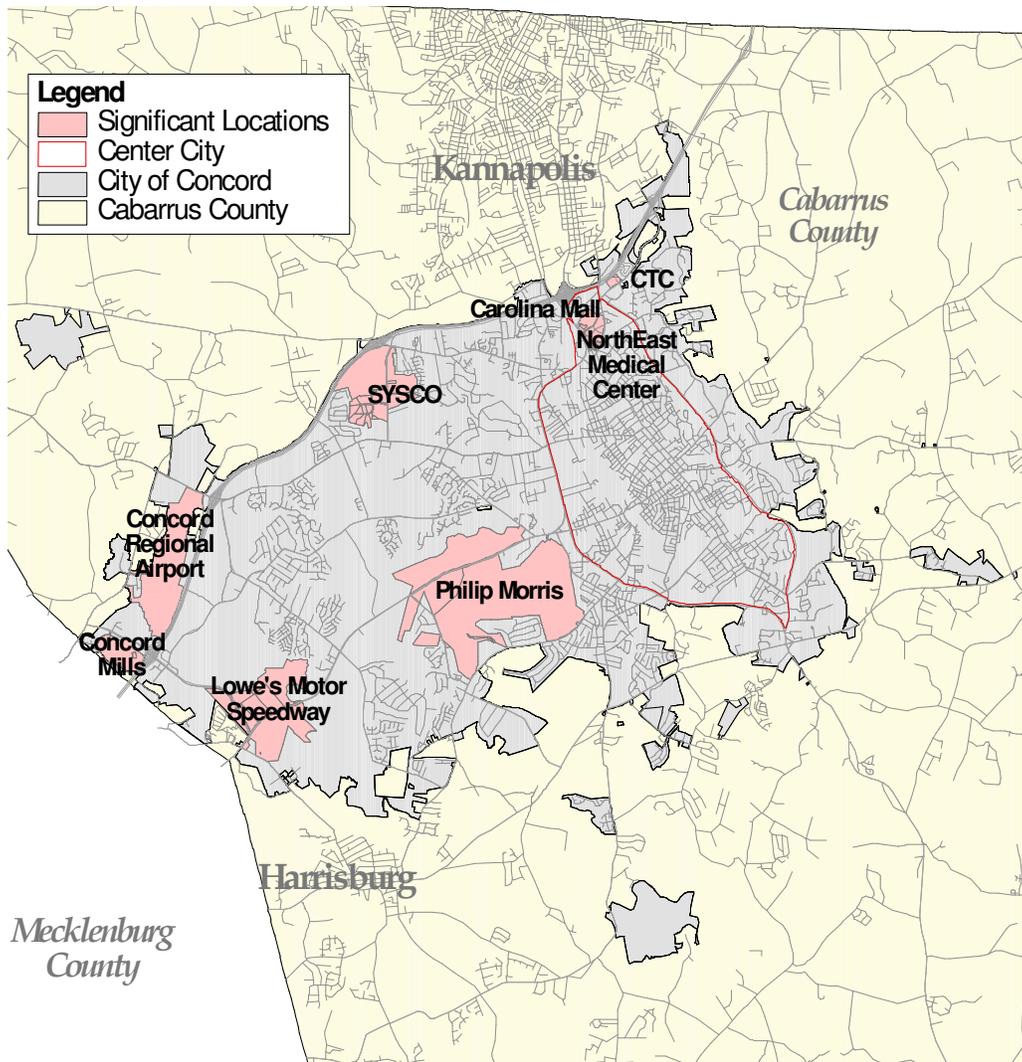
Employer	Product	Employees
Concord Mills Mall	Retail Center	4,000
NorthEast Medical Center	Medical Care – Regional Center	3,242
Philip Morris	Cigarettes	2,500
Cabarrus County Schools	Education	2,420
Cabarrus County	Government	900
Carolina Mall	Retail Center	850
City of Concord	Government	730
CT Communications	Communications	653
Sysco Food Services	Food Distribution	625
Wal-Mart	Retail Store	480
S&D Coffee	Coffee and Tea Roasting	300
Bass Pro Shop	Retail -Hunting and Fishing	350
Fun Tees	T-shirts	300
Perdue Farms	Poultry Processing and Packaging	251
Star America	Hosiery	170
Home Depot	Retail - Home Improvement Products	169
Lowe's Home Center	Retail – Home Improvement Products	155
Lowe's Motor Speedway	Motor Speedway/Stadium	140
Jillian's	Restaurant and Entertainment	126
Americhem	Color Concentrate Fibers	125
Owens Corning	Bushings for Fiberglass Manufacturing	100
Galvan Industries	Grounding Rods and Galvanizing	100

(Source: Cabarrus Economic Development, 2002)

In recent years, Concord has experienced extraordinary growth in the tourism industry. Attractions such as the Lowe's Motor Speedway, UNC-Charlotte and the Concord Mills retail center, plus proximity to major transportation routes such as Interstates 77, 85 and 485, Concord Parkway (US Highway 29) and Warren C. Coleman Boulevard (US Highway 601), and NC Highway 49, bring tourists into the area for overnight stays and visits to local restaurants, entertainment venues, and retail centers. Even with the post-September 11th decline in visitor activity that hit the tourism industry, Cabarrus County lodging revenues in 2002 surpassed 2001

revenues. Figure 12 depicts the location of the City's major employers, including tourism attractions.

**Figure V-E-3
Location of Major Employers Within City
of Concord**



Source: City of Concord, 2002

3. Major Industries

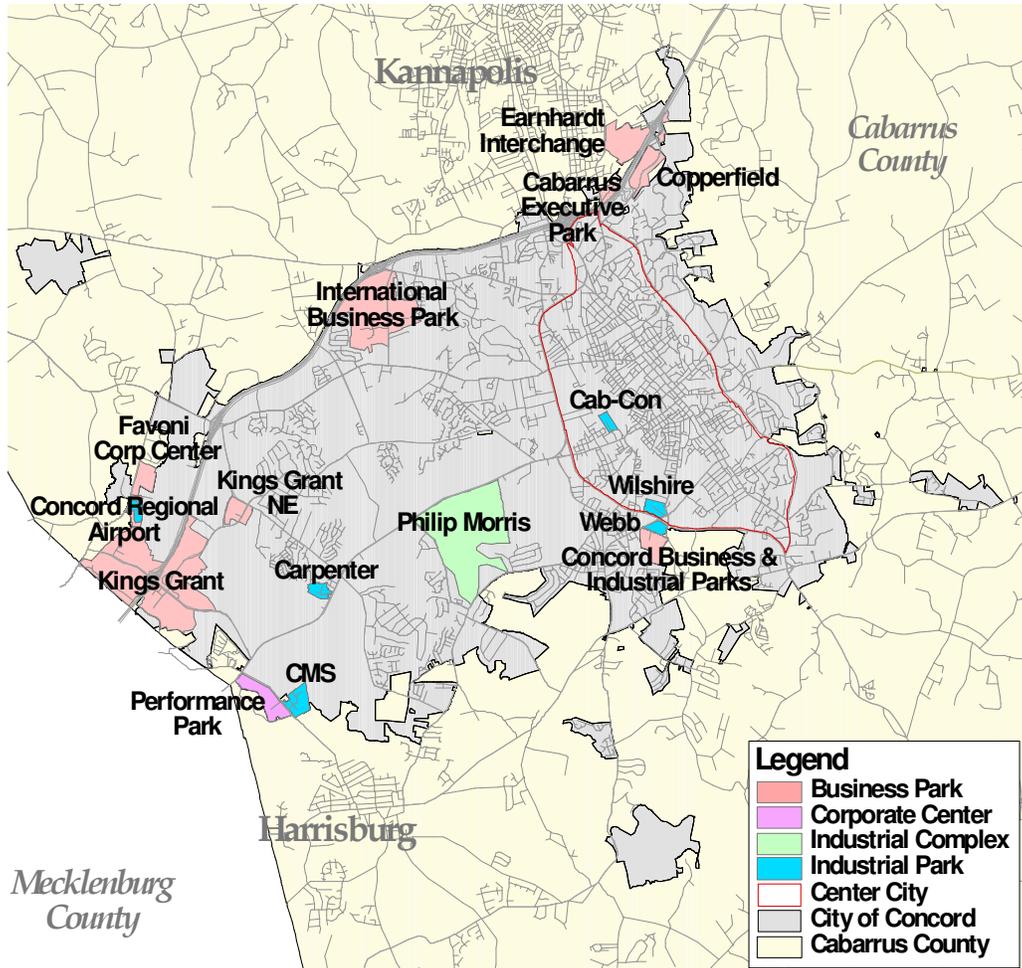
As the largest manufacturer of cigarettes in the United States, Philip Morris USA produces over a billion cigarettes a day for domestic and overseas markets at two manufacturing centers located in Richmond, Virginia, and Concord, North Carolina. The Cabarrus Manufacturing Center in Concord is located on 2,100 acres with 2.4 million square feet under one roof. The Center produced its first cigarette on January 3, 1983. Approximately 2,500 area employees work at the facility. The Center produces approximately 600 million cigarettes and ships about 3 million cartons of cigarettes each day. The facility processes an average of 1.1 million pounds of tobacco daily.

CT Communications, located on Copperfield Boulevard, provides integrated tele-communications services to residential and business customers located primarily in North and South Carolina. The company provides a comprehensive package of tele-communications services, including local and long distance telephone, Internet and data services, and digital wireless services. CT Communications began operations in 1897 as the Concord Telephone Company and continues to operate as an incumbent local exchange carrier (ILEC) in Cabarrus, Stanly, and Rowan Counties, North Carolina. Today, the company serves more than 120,000 access lines in their service area.

SYSCO Food Services is the largest marketer and distributor of foodservice products in North America, with a distribution network that extends throughout the United States and Canada. The company operates 146 distribution facilities, serving more than 415,000 customers including restaurants, hotels, schools, hospitals, retirement homes and other locations. SYSCO distributes a wide variety of fresh, frozen and specialty meats, seafood, poultry, fruits and vegetables, bakery products, canned and dry foods, paper and disposable products, sanitation items, dairy foods, beverages, kitchen and tabletop equipment, medical and surgical supplies and hotel operating supplies. SYSCO Food Services of Charlotte is located on Corporate Drive, within the International Business Park in Concord.

Many **industrial and business parks** within Concord, are located within close proximity of Interstate 85. Most notable of these parks is the International Business Park located on International Drive and just south of I-85 at the Davidson Highway (NC 73) exit. The International Business Park is in the early stages of development, with significant growth potential. A number of parks including the Earnhardt Interchange Park, the Cabarrus Executive Park, and the Copperfield Park are clustered around I-85 in the northwest area of the City. The large Kings Grant business development and the smaller Favoni Corporate Center are located within close proximity of both I-85 and the Concord Regional Airport. Smaller industrial parks are scattered throughout the City. Industrial and business park locations are provided in Figure V-E-4.

**Figure V-E-4
Industrial and Business Park Locations**



Source: City of Concord, 2002

4. Major Commercial and Office Developments

The City of Concord benefits from two regional retail developments within its borders. Concord Mills is a super-regional retail and entertainment complex with 1.4 million square feet of retail space containing 225 stores, including manufacturer outlets, off-price retailers, category dominant stores, unique specialty stores, a food court, theme restaurants and a 24-screen movie theater. The facility is located directly off of Interstate 85 on Concord Mills Boulevard. Since its opening in 1999, Concord Mills has been a catalyst for development along Concord Mills Boulevard and Speedway Boulevard near the I-85 interchange. The 578,000 square foot Carolina Mall has 45 shops, including major retailers such as Belks, Sears and JC Penney. Located in the Center City area, just off of I-85 on Concord Parkway North (US 29), the Carolina Mall has anchored this highly commercial area of the City since its opening in 1972.

One of the most significant and influential commercial entities within the City of Concord is the Lowe's Motor Speedway. Lowe's Motor Speedway is a world class NASCAR venue, with seating for 167,000, a 135,000 square foot facility housing corporate offices, ticket offices, a gift shop, leased office space, an exclusive dining and entertainment facility, and 52 condominiums for onsite living. The Speedway (formerly the Charlotte Motor Speedway) was originally designed and built in 1959, with major renovations in following years, particularly in the 1990's. In addition to the Speedway itself, the more than 2,000-acre Speedway property includes an industrial park, a 15,000 seat, state-of-the-art Dirt Track located across Highway 29 from the main Speedway facility, a landfill, and a natural wildlife habitat area. The Speedway hosts three NASCAR Winston Cup events, two NASCAR Busch Series races, a pair of Automobile Racing Club of America events, the NASCAR Craftman Truck Series, and a Goody's Dash Series race each year, plus many additional racing events and car shows. The Speedway has been used in several major motion pictures and is regularly leased to major corporations for use in commercials. The campgrounds surrounding the Speedway are also a significant source of income for the local economy.

While there are no major office parks at present, the Copperfield development is evolving into an office destination with the recent location of the new CT Communications corporate headquarters and construction of offices for the NorthEast Medical Center underway. While extensive speculative office construction has taken place nearby to the south in the University City area of Charlotte, there has been little to no speculative office construction within the City of Concord. The recent economic downturn has resulted in a glut of speculative office buildings in the University City area. However, local developers anticipate that upscale office development will naturally progress up the Interstate 85 corridor over time and that the Concord Mills area and Copperfield are ideally suited to accommodate office type development that will include campus style office complexes with Class A office space.

5. Economic Policies and Incentives

Cabarrus Economic Development is the economic development agency for Cabarrus County and the cities located within the county. The mission of Cabarrus Economic Development is to responsibly recruit new business and support existing business in such a manner that:

- The tax base of Cabarrus County is expanded and diversified.
- The employment opportunities for the people of the County are expanded and diversified.
- A positive business environment is assured throughout the County and the region and is clearly demonstrated to new and expanding business.
- That existing business is supported and encouraged.
- That maintenance and expansion of community infrastructure is encouraged.
- The resources of Cabarrus County are made readily available to new and expanding business.

A nine-member Board of Directors oversees the operation of Cabarrus Economic Development. Members are volunteers from diverse backgrounds appointed to represent the broad interests of Cabarrus County. Two County Commissioners are selected by the Cabarrus County Commission, one is a representative of the Cabarrus Regional Chamber of Commerce, and six are members-at-large as recommended by the Cabarrus Economic Development Board and approved by the Board of County Commissioners.

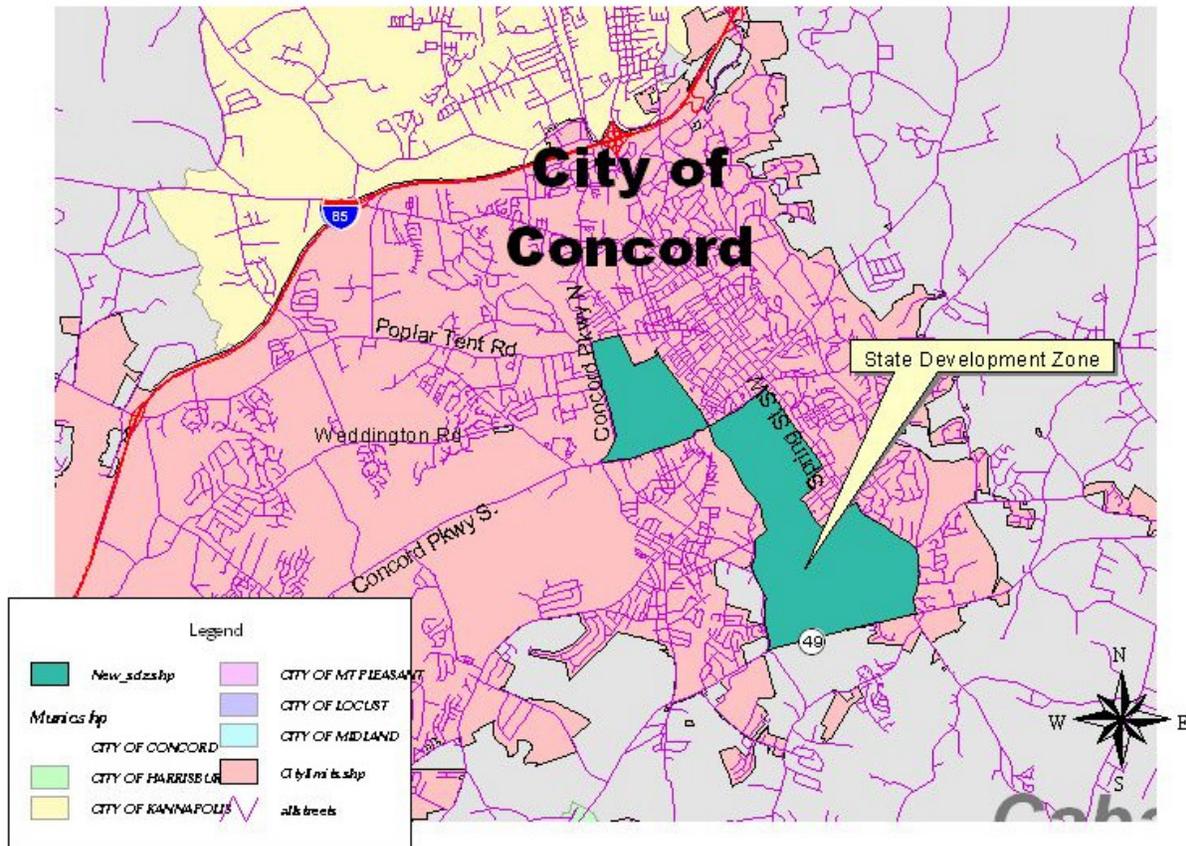
Through Cabarrus Economic Development, Cabarrus County and its largest municipalities (including Concord) offer a unique Industrial Grant Program for qualified new and expanding companies. The program provides a cash grant calculated on the tax-appraised value of the client's investment and the annual amount of property taxes paid to the County and the City. Each application is reviewed by the Economic Development Board and is finalized by contractual agreement with Cabarrus County and the appropriate municipality.

Low tax rates make Concord attractive to both new businesses and new residents. At a combined millage rate of 1.01 (.45 City and .56 County), property taxes in Concord are quite low when compared to municipalities of the same size or larger within the region. The tax rate in neighboring Kannapolis is slightly higher at 1.05, however municipal tax rates in nearby Mecklenburg County range from 1.04 in Pineville to 1.3 in Charlotte.

In addition, the North Carolina Department of Commerce has designated a State Development Zone, Figure V-E-5, within the City of Concord. Qualifying businesses located in the zone are eligible to receive tax credits for investment in expansion or new facilities. The intent of the State Development Zone Program is to stimulate investment and job creation to improve conditions in high poverty areas. Businesses qualify for participation in the State Development Zone Program if they are in one of six categories – warehousing, manufacturing/processing, air

courier service, distribution, data processing, and central administration office. Tax credits for qualifying businesses include: \$4,000 per qualified job created in addition to Enterprise Tier incentives; \$1,000 per employee for worker training; and 7% for machinery and equipment with no minimum cost.

**Figure V-E-5
State Development Zone**



Source: City of Concord, 2002

6. Summary

The long-term economic outlook for Concord is closely tied to that of the Charlotte region. The Charlotte area has enjoyed significant growth over the past two decades. In spite of the recent economic downturn, economic growth in Charlotte and surrounding communities continues with measured success.

Concord’s location along the I-85 corridor, recent commercial developments of regional significance, and a renewed interest in preserving and protecting the character and charm of the

community make it an attractive location for future industrial and commercial development. In addition, a recent study of retail trade in Downtown Concord concluded that the Concord market has latent demand for specialty retail categories that are well-suited for the downtown market. These factors make Concord a desirable and viable location for businesses and industries of all types and sizes.

Lockwood Greene Consulting completed a Competitive Assessment and Targeted Industry Study for Cabarrus County that was released in April of 2001. Although, the national economic climate has changed significantly since that time, several salient points can be taken from this study. Among the competitive strengths of the community are air transportation through CRA, being part of a widely recognized regional market, high quality of life, and a good inventory of prepared industrial and commercial sites. Weaknesses included road infrastructure, lack of a land use plan for the County, and lack of a strong vision, internal marketing and business community support for economic development. The Envision Cabarrus effort went a long way to address the community support issue.

The study also indicated that technology related businesses coupled with finance, insurance, and back office space uses would be prime targets for the community. Among the most important recommendations of the study were the development of speculative industrial space and the creation of office and R&D space in the community. These targets capitalize on the unique benefits that nearby UNCC and University City bring to the area.

It must be recognized that many of the manufacturing jobs lost in the past few years likely won't ever return in this era of the global economy. Ultimately, the key factors for economic growth in Concord will be the diversification of its industrial base and the cultivation of the office market that is poised to make its way into the community. To this end, the reservation of land for future industrial and office growth is a critical strategy for encouraging growth in these sectors. Additionally, exploring the reuse of older industrial properties inside the core of the community will also be critical to accommodating much needed professional office and mixed-use space close to the Downtown. The City will face increased competition from other cities throughout the region and country for quality jobs and business growth and therefore must strategically posture itself as an attractive marketplace.