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Boom to the tune of \$4.1 billion

Investment plans in Mecklenburg nearly double previous record

DOUG SMITH

If the development boom occurring across Mecklenburg needs any confirmation, the Charlotte Chamber has it.

New and expanding businesses announced plans during 2006 to invest nearly \$4.1 billion, almost doubling the previous record of \$2.2 billion set in 1998.

"What that says to me is that we are building the infrastructure for continued growth," said Tony Crumbley, the chamber's vice president of research.

The statistics are in the business organization's 2006 year-end report on countywide new and expanding businesses.

The report also noted that 809 firms announced plans to create 12,087 jobs and generate 18.2 million square feet of leased or expanded space.

None of those statistics were records.

The number of new and expanding firms was down 16 percent from 964 in 2005, job announcements were down 10 percent from 13,418 and expansion space was up 34 percent from 13.6 million square feet. The chamber doesn't reconcile new jobs with job losses or adjust for inflation. But in the past, the report has been a reliable indicator of growth.

The expansion numbers are in sync with a July Observer report that document a surge in 2005 nonresidential construction permits to \$3.1 billion -- the strongest year in Mecklenburg since 1997.

Unlike the chamber's statistics, which are based on companies' intentions, building permits are issued in preparation for actual construction.

Other counties in the region said their permits issued in 2005 also indicated an upward trend in commercial building similar to Charlotte's.

"This reflects the interest businesses have in Charlotte," Crumbley said. "We're in the next tier of cities. Ten years ago, we had the C.H. factor. That doesn't exist anymore." (The C.H. factor refers to confusion with cities such as Charleston and Charlottesville, Va.)

People who inquire about Charlotte generally have at least some knowledge of the city, thanks in part to its big banks and professional sports, he said.

"Today, I get as many calls from California as I do from Virginia," Crumbley said.

People moving into the region help create the work force that persuades businesses to expand and move here, he said.

What's most convincing about the investment totals, Crumbley said, is that the record would still be broken without two of 2006's biggest announced projects: Wachovia's First Street Cultural Campus and Bank of America's 32-story office tower.

The report also indicates there's more diversity than our financial-center oriented business community might realize.

Manufacturers announced plans in 2006 to create 781 jobs compared to the finance and insurance industry's 1,231.

Shutterfly Inc., a Web-based photo provider, for example, is investing \$31.5 million and generating 230 manufacturing jobs. And Newell Rubbermaid is expanding, investing \$7.5 million and creating 320 jobs.

Crumbly expects the momentum to carry over into 2007 and beyond as businesses discover the region's steady economic growth and quality of life.

Doug Smith's Notebook

- The Grande Promenade shopping center at W.T. Harris Boulevard and North Tryon Street in the University City area has changed hands for \$55.5 million.

Ghazi NC LLC and St. James Place of Charlotte LLC completed the sale of the 202,555- square-foot specialty retail center recently to a partnership led by ZR Strategic Property Investments LLC and US Advisors LLC.

The center was developed by The Ghazi Co., which also is developing the EpiCentre retail and entertainment complex in uptown Charlotte.

- Atlanta-based Lane Co. has acquired 309-unit Alexander Place Apartments at 6316 Cameron Forest Lane in south Charlotte.

The multifamily real estate firm purchased the garden-style complex, built in 1985, and its 34.3-acre site from INVESCO for \$27 million.

Lane Co.'s Lane Management LLC subsidiary will manage the community, which will undergo an extensive renovation.

Lane manages nearly 3,000 units in Charlotte, but this is its first acquisition in the area.

DEVELOPMENT Doug Smith

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