



Citistates Report: What Gaston, Charlotte region, needs to succeed

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[Neal Peirce and Curtis Johnson](#)

Massive economic, climate and cultural challenges face America's great "citistate" regions in this century. Will the 14-county Charlotte region, including Gaston County, be one of the handful of citistates that lead the way? Or will the region hesitate and let its glory days fade?

Just check the landscape.

Charlotte banks seem nationally dominant, but they're operating in dangerous waters of acquisition fever and international economics.

Real estate has boomed across the region. But the sprawling development pattern could be a ticket for failure in resource-restrained times, with prospects of water shortages and gasoline at \$5 to \$10 a gallon or more.

A radically increased share of the region's growth needs to go "in" toward city and town centers, and less of it spread "out" across undeveloped lands.

Compactness isn't necessary only for economy and efficiency. With higher per-capita carbon emission rates than three-fourths of other U.S. regions, Charlotte faces a critical environmental challenge in a century and a world imperiled by global warming.

The region also confronts a deep human challenge: how it welcomes and integrates newcomers. Charlotte is proving itself a 21st-century magnet for aspiring young professionals, for high-end bond traders with European experience and Mexicans with a sixth-grade education who are building the city's new skyscrapers. It is now one of the United States' top immigrant "gateway" cities. But there's a heavy measure of anti-immigrant sentiment in the region. Will diversity remain a strength, helping the region become more entrepreneurial and resilient?

13 years' difference: Textiles, tobacco, furniture take deep dive

In 1995, we outside writers were first asked to take a look at Charlotte-Mecklenburg and its neighboring Carolinas counties.

We could see plenty of movement and change. High-rise uptown office towers signaled an aspiring banking center. Subdivisions were multiplying across the landscape. Textile mills were declining.

But returning in 2008 for a follow-up report, we were stunned.

Textiles, tobacco, furniture had all taken a deep dive. Yet this cluster of neighboring Southern communities was advertising itself proudly, from Europe to Asia, as "Charlotte USA."

Wachovia had expanded far beyond its old territory. Its rival, NationsBank, had swallowed California-based BankAmerica and kept its headquarters in Charlotte.

Sure, in 2008, reflecting national and international economic uncertainty, some worries have surfaced. Wachovia recently shed assets and a CEO. Bank of America, despite obvious indigestion from swallowing wayward Countryside Financial, this week agreed to buy the giant brokerage Merrill Lynch. But let there be no doubt about the strengths: Those institutions exude confidence in an economically diverse region with nine Fortune 500 companies and at last count 480 foreign companies doing business in Mecklenburg County alone.

Center City revives

Revival in the center city helps!

In 1995 evenings uptown were lonely - so lonely one restaurant manager advised us not to walk back to our hotel, hinting the streets were dangerous. Now the streets are packed, even Monday and Tuesday nights. People live as well as work uptown. Despite the national chill in commercial real estate, we could see Charlotte's construction cranes writing a new script of economic growth along the skyline.

Even in Gaston County, which has suffered from the decline of textiles as much as any county in America, an economic renaissance is transforming Belmont, Mount Holly and even long-sleeping Gastonia into some of the region's most desirable places to live and work.

Defects in the 2008 Charlotte orbit? Sure. Far too many blank spots - used for acre upon acre of surface parking - remain in uptown's fabric. The hope - and clear possibility - is that they'll fill in, following the pattern in the First Ward and Third Ward neighborhoods.

Across the region we found palpable fear that the recent years' surge of traffic and physical growth - fast-spreading distances between business centers, home and work - might soon duplicate Atlanta's horrific traffic snarls and degraded quality of life.

But we discovered a drastically improved Charlotte bus system - true middle-class transit, not just subpar equipment fobbed off on poor folk.

We were amazed to discover this historically car-happy, anti-transit region had just opened its first light rail line. Locally, the debate has shifted almost magically, from, "Why spend so much for rail?" to a sharpened chorus of claims by neighborhoods eager for the next line to run in their direction.

The pro-transit case hasn't yet persuaded many officials in outlying counties, but even there, public sentiment is clearly starting to shift.

Other changes struck us quickly. In 1995, no one - really no one - mentioned water as a worry. Today people are aware it's a fragile and indispensable resource.

Today, groups and initiatives such as the Catawba Riverkeepers, the Catawba Lands Conservancy and the Carolina Thread Trail emphasize the importance of water quality, land conservation and regional cohesion. The Thread Trail will wind through the entire region, conserving farms and other undeveloped areas.

Charlotte-Mecklenburg has enacted a nationally noteworthy set of new ordinances - from storm water management to street design guidelines aimed at helping pedestrians and bicycles as much as cars.

What can replace lost textile mills?

The last big one, generating a historic record for layoffs in a single day, went down when Pillowtex closed its Kannapolis operations. But 2008 finds Kannapolis staring at possible success again. The audacious idea, brainchild of David Murdock, the mill's last owner, is to create a nation-leading North Carolina Research Campus for health and nutrition.

In 13 years, a good chunk of the fierce competition among this region's cities and counties has melted away. There's some evidence of heightened concern about outlying areas.

We found local governments today plan, talk and work together through the Centralina and Catawba Councils of Government.

Creative change, notes historian Tom Hanchett, has always been this region's signature talent. It showed it in its determination to be a pioneering trading and then great mill city of the post-Civil War "New South." Then came its early drive for hydroelectric power, sparked by Duke Power's engineer-entrepreneurs. It jumped ahead of competitor cities with advanced railroad and highway connections. And it grew into a preeminent banking wonder in the last generation.

Today the region has made an apparently graceful switch from leadership by a narrow core of successful native-born corporate executives. Now there's a much broader leadership constellation of corporations operating regionally and worldwide. The problem isn't corporate domination, often it's just capturing CEO attention for local challenges.

Ultimately, though, the future of the region won't just be decided by corporate decisions.

It will depend most strongly on the civic muscle - and regional cohesion - that the people of this potentially great citistate can forge, showing themselves - and a nation - how it is possible to prosper while growing green.

Follow California?

East Coasters may not like to admit it, but California has been the leader in the energy-saving race since the starter gun fired over long gas pump lines in the 1970s.

Using a computer model developed at the Center for Building Science at the University of California-Berkeley, it measured the energy performance of buildings. The state set stricter standards both for buildings and for appliances - from air conditioners to heaters to refrigerators. It "decoupled" utilities' sales and their profits by allowing rate increases that helped customers cut energy use, an all-around winner since consumers realized energy savings which more than offset the rate increases.

Sure, it was a regulatory approach, but one that bet the future on California's famous talent for waves of innovation. Widely imitated by other states, the policy succeeded, so much so that according to Douglas Henton of Collaborative Economics, a Silicon Valley consulting firm, per capita use of electricity has been flat or declining for 25 years.

Californians pay dearly for power, but as a proportion of the state economy they use half the electricity per capita than the nation as a whole does.

Henton says that record is not mere moral virtue. Energy efficiency amounts to \$24 billion a year that Californians can spend or invest in other things, because they're not buying more electricity. They have avoided the expense of 15 to 20 additional power plants.

The vision for success for Charlotte, Gaston County and surrounding counties is to strive and win in this century's great contest to be "Green, Great and Global."

Green - Lead, don't lag, on answers to global warming. Create broad swaths of carbon-saving, smart new energy systems. Develop market-leading, compact forms of community development. Relearn such values as local and more self-sufficient agriculture (in the process generating more of the other green - dollars).

Great - Take the critical risks, be a national leader in developing vital city centers. Build regional cohesion. Expand regional civic collaboration and new leadership.

Global - Welcome the world to your doorstep. Distinguish yourself as a great place to live, visit and do business, based on economic strength, social vitality and world-standard quality of place.

Who sponsored the report?

The UNC Charlotte Urban Institute sponsored the report, with a grant from the John S. and James L. Knight Foundation. The Knight Foundation is a national foundation that aims to improve the quality of life in Charlotte and 25 other U.S. communities where the Knight brothers owned newspapers. Assistance was provided by the Lee Institute, the Centralina Council of Governments and the Catawba Regional Council of Governments.

What's a "citistate?"

"Citistate" is a term Peirce and Johnson coined to describe how metropolitan regions operate in the global economy. A citistate is not defined by political boundaries. It's what the economy does: It's a labor market, a commute-shed, the circulation area of the lead newspaper.

What's a Citistates Report?

Syndicated columnist Neal Peirce and his colleague Curtis Johnson give "outsider" views on the future prospects of U.S. urban regions. They have done some two dozen Citistates Reports.

Peirce, Johnson and colleagues Alex Marshall and Farley Peters interviewed almost 200 people throughout the 14-county Charlotte region last spring.

In 1995, their "Peirce Report" ran in *The Gaston Gazette* and other newspapers in the Charlotte region. To read it, visit: www.ui.uncc.edu. To learn more: citistates.com.

More about the researchers for this Citistates report

Peirce is an author and syndicated columnist on U.S. cities and regions. His books include "Citistates," "Boundary Crossers," and "Century of the City: No Time to Lose."

Johnson is a writer, former board chair of the Metropolitan Council of Minneapolis-St. Paul, former chief of staff to a Minnesota governor and a former community college president. He's co-author of "Disrupting Class," "Boundary Crossers," "Citistates," and "Century of the City."

Marshall, who assisted in the 1995 Peirce Report on Charlotte, is a New York-based writer on planning, architecture and transportation. He is senior editor with the New York Regional Plan Association and an adjunct professor at the Architecture School of the New Jersey Institute of Technology in Newark. His books include: "How Cities Work," and "Beneath the Metropolis."

Peters is a public policy specialist who manages the Citistates Group.

http://www.gastongazette.com/news/region_25078_article.html/charlotte_great.html