

▲ DOW
10,841.21
+5.06

▼ NASDAQ
2,397.41
-1.35

▼ S&P 500
1,165.73
-1.99

Business

▲ 10-YR T-NOTE
3.90%
+0.08

▼ CRUDE OIL
\$80.53
-0.08

▲ GOLD
\$1,092.70
+4.10

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Bissell Cos. readying for when companies look to relocate



Workers sign the last steel beam to top out the Everett building, the latest "spec" office structure going up in Bissell Cos.' Ballantyne Corporate Park, despite the recession. The building, named for civic activist Mac Everett, is on North Community House Road.

PHOTOS BY DAVIE HINSHAW • dhinshaw@charlotteobserver.com

No slowdown in Bissell's Ballantyne office park

Construction workers placed the last steel beam in the Everett building Thursday, the latest office building to rise in Bissell Cos.' Ballantyne Corporate Park.

DEVELOPMENT



KERRY HALL SINGE

Bissell, the development giant that created the SouthPark and Ballantyne communities, is on an office-building spree these days — despite an economy that has stalled many commercial projects or pushed fellow developers into bankruptcy protection.

Following the topping out, company founder H.C. "Smoky" Bissell joined fellow executives and an architect for lunch at nearby JJs Cafe.

There, the men pored over design schemes for a more ambitious plan for the next "spec" office building, said Bissell Cos. chief executive Ned Curran.

When finished in December, the Everett building will add 150,000 square feet of office space to a market that has seen vacancy rates steadily climb for two years. Average Charlotte-area office va-

cancy rates hit 13.8 percent at the end of last year, according to CoStar Group.

The Everett building also sits next to an empty,

400,000-square-foot building Bissell developed.

Yet the company, which is developing the Everett building without outside financing, feels fortunate, says vice president of office leasing Barry Fabyan.

Last year, the company leased 500,000 square feet of the 800,000 square feet of new office space it had added in its Ballantyne complex, making 2009 "as good as any year we've had," Fabyan said. When Everett is finished, the corporate park will have more than 3.3 million square feet of office space.

The new buildings will let Bissell attract corporations seeking larger, contiguous space, Fabyan said. Bissell has seen interest from companies looking for more than 20,000 square feet, he said. Prospective tenants include regional



When businesses are finally ready to move, Bissell's Ned Curran said, "you've got to have standing inventory to accommodate that need."

and corporate headquarters in the classic white-collar jobs typically found in Charlotte.

The Charlotte-area market hasn't had large amounts of contiguous space available for lease, but that is quickly changing in Ballantyne and uptown, thanks to the addition of new buildings started before the recession.

Curran also said the company wants to be prepared for when companies decide they want to ex-

pand. Companies are requiring shorter lead times, he said.

"More decision-makers don't have two years to wait," he said. "They've already delayed making the decision to move or expand, and you've got to have standing inventory to accommodate that need."

Bissell Cos. has already announced its intention to build a fourth building next to the Everett

SEE SINGE, 11A

Plan lends a hand to underwater mortgages

New FHA program part of increased federal action to stem foreclosures.

BY DAVID STREITFIELD
New York Times

The Obama administration will announce a new plan today to help troubled homeowners, potentially refinancing several million of them into fresh government-backed mortgages with lower payments.

The escalation in aid comes as the administration is under rising pressure from Congress to resolve the foreclosure crisis, which has put millions of Americans at risk of losing their homes. But the programs are likely to spur protests among those who have kept up payments and are not in trouble.

A major element of the new program, according to several sources who spoke on the condition of anonymity, will be to encourage lenders to write down the value of loans for borrowers in modification programs. Until now, modification programs have focused on lowering interest rates.

Another major element will involve the government, through the Federal Housing Administration, refinancing loans from borrowers whose home values have sunk below what they owe. More than 11 million homeowners are in this position, known as being underwater. That aspect of the plan would apply even to borrowers who have not fallen behind in payments.

SEE MORTGAGES, 11A

Record-low rates are still a must, Bernanke says

Fed chair says weak economy justifies interest rates near zero. He'll tighten credit when 'expansion matures.'

BY JEANNINE AVERSA
Associated Press

WASHINGTON — Record-low interest rates are still needed to rev up the economic recovery, Federal Reserve Chairman Ben Bernanke told Congress on Thursday.

Bernanke, in testimony to the House Financial Services Committee, essentially repeated the rationale behind the Fed's decision last week to hold rates near zero. He cited still-fragile economic conditions and noted that inflation is low, which gives the Fed leeway to keep rates at rock-bottom levels.

The Fed chief didn't offer new clues about when the central bank might reverse course and start tightening credit. He said that would need to happen when the "expansion matures." Some investors and analysts say higher rates could come in the fall.

Deciding when to tighten credit is the biggest challenge facing Bernanke, whose second term started in February. Moving too soon could short-circuit the recovery. Waiting too long could unleash inflation and sow the seeds for new spec-

SEE BERNANKE, 11A

A job center for unemployed professionals

New CPCC effort will help jobless 'connect to growth industries.'

BY DAVID PERLMUTT
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Central Piedmont Community College announced Thursday that it is opening a new center to help unemployed or underemployed professionals land employment in job-abundant industries such as health care and energy.

The center, located on the school's Harris campus near Charlotte/Douglas International Airport, is being funded by a two-year grant from Walmart Brighter Futures. CPCC is one of eight schools across the country to be select-

ed for the project by the League of Innovation in the Community College.

The center will help clients identify transferable skills and the skills they need to build a new career in health care and energy. It is working with local employers in both industries to create competency models that will help clients determine skills that are relevant for employment.

Counselors will meet with clients to discuss needs and create an action plan. The center will provide some stipends for training and education, in addition to making computers available.

"Mecklenburg County is experiencing double-digit unemployment — the highest level in

at least 20 years. Residents are more focused on gaining the right job skills that are relevant for the jobs of today and tomorrow," CPCC

President Tony Zeiss said. "Our new center will not only help connect professionals to jobs in growth industries...but it will also demonstrate CPCC's continued commitment to serving the community during challenging economic times."

To learn more about CPCC's Career Professional Center, go to www.cpcc.edu/changingcareers or call 704-330-4664 to schedule an appointment.



Zeiss



ANDREW HARRER - BLOOMBERG

Ben Bernanke listens during a House subcommittee hearing on Thursday.

Subway to start serving breakfast food April 5



TIM BOYLE - GETTY

The price of Subway's breakfast sandwiches will range from \$1.75 to \$6.

Sandwich chain looking to tap into the profitable morning meal market.

BY ASHLEY M. HEHER
Associated Press

CHICAGO — Subway is joining the increasingly crowded breakfast scramble in a move that the sandwich chain hopes will help add customers and sales.

After years of testing, almost all of Subway's 23,000 U.S. restaurants will begin selling the meal April 5. When they do, the nation's largest restaurant chain by number of outlets will be a big player in the breakfast game, which can be

handsomely profitable if done right.

"There are a number of other competitors of ours that are trying to suss out the breakfast opportunity, and I'd rather be in the market before they get there," said Tony Pace, chief marketing officer at the Subway Franchisee Advertising Fund Trust, the chain's consumer marketing division. "Is there going to be competition now? Of course. And it's going to be fierce."

The new menu, already being served in some U.S. cities and throughout Canada, sticks with Subway's sandwich specialty. Featuring customizable "omelet sandwiches," the options include a

combination of eggs or egg whites, cheese, ham, bacon, steak, sausage, peppers and onions in addition to Subway's other toppings.

Sandwiches will be served on English muffins, flatbread or the restaurant company's traditional sub rolls.

While franchise owners — who operate all of the company's 25,000 North American locations — determine the prices of the breakfast items, suggested prices will range from \$1.75 to \$6. A combo meal featuring an English muffin sandwich and coffee would be \$2.50.

Advertising for the new menu will begin next week. Breakfast has become a popular

addition to fast-food chains in recent years as companies clamor for diners. Since coffee, eggs and other breakfast ingredients often come cheap, the meals typically can rake in big profits for restaurants. While heavyweight McDonald's promotes its new dollar breakfast menu, other competitors are getting into the mix. Among them: Taco Bell and Wendy's, which are both testing out breakfast menus.

It's not a sure thing. As the economy soured, so did breakfast sales as customers cut back on spending and unemployed workers stopped visiting restaurants they used to patronize on their way to work.

SINGE

■ from 10A

office complex. Their plans don't end there. The design Smoky Bissell and others discussed Thursday is for another, yet unannounced, space.

"That's how much Smoky's constantly saying, 'Now what?' Curran said."

Downtown Gastonia gets new condos

One developer and builder is turning a historic vacant building in downtown Gastonia into affordable, for-sale condos.

McAllister Development has teamed up with the city to develop The Carriage Company, a 30,000-square-foot proj-

ect that will include 16 residential units and two commercial units. One- and two-bedroom condos will be available for \$73,000 to \$166,000. Work is about three months under way, and the project's Web site is going online this week.

Developer Gregg McAllister said he and the city are developing the building with help from the city's neighborhood stabilization funds, used to buy and develop vacant property to strengthen neighborhoods.

Built in 1886, the Craig & Wilson Carriage Co. building was once owned by a livestock and carriage retailer. For years it housed the Rayless department store, and was also an indoor market before it became vacant, McAllister said.

Condo buyers will be sub-

ject to income restrictions, he said.

McAllister's company has been active in Charlotte's historic South End, including renovating a former Studebaker dealership into Amos' South-

Three years ago, his company helped develop The Standard, a mixed-use project in the Standard Hardware Building in downtown Gastonia. That project includes loft apartments, retail and offices.

"It's the perfect opportunity now to build affordable housing," McAllister said. "And it will hopefully spur downtown living."

Kerry Singe: 704-358-5085; ksinge@charlotteobserver.com

MORTGAGES

■ from 10A

Investors who own the loans would have to swallow losses but would probably be assured of getting more in the long run than if the borrowers went into foreclosure. The FHA would insure the new loans against the risk of default.

Many details of the administration's plan remained unclear Thursday night, including the scope of the new programs and the number of homeowners likely to qualify.

This much was clear, however: The plan could put taxpayers at increased risk. If many additional borrowers move into FHA loans, a new downturn in the housing market could send that government agency into the red.

A third element of the White House's housing program will require lenders to offer unemployed borrowers a reduction in their payments for a mini-

imum of three months. The plan would essentially supplant the government's earlier mortgage modification plan, announced a year ago with great fanfare. It has resulted in fewer than 200,000 people getting permanent new loans. As many as seven million borrowers are seriously delinquent on their loans and at risk of foreclosure.

More behind on payments

While fewer people are beginning to default, the number of borrowers who are seriously distressed is rising.

In the fourth quarter, the number of households at least 90 days past due on their mortgages swelled by 270,000, according to a report issued Thursday by the Office of the Comptroller of the Currency.

"The government is seeking to persuade people to stay in their homes by aligning the mortgage debt with the asset value, which is the only viable path to real housing stability,"

said one person who was briefed on the government's plans.

Lenders, Obama pressured

Both lenders and the Obama administration have been under pressure to save many of the homeowners now in foreclosure limbo.

Earlier this week, Bank of America said that it will forgive up to 30 percent of some customers' total mortgage balance. The homeowners may have missed at least two months of mortgage payments and owe at least 20 percent more than their home is currently worth.

Bank of America is the largest mortgage servicer in the country. The plan is the newest provision of an agreement the Charlotte-based bank reached to settle charges over high-risk loans made by Countrywide Financial.

The loans were made before Bank of America acquired the mortgage lender in mid-2008.

BERNANKE

■ from 10A

ulative bubbles in stocks or commodities or other assets.

One of the reasons the Fed is holding rates so low is because of stubbornly high unemployment, Bernanke said. It's now at 9.7 percent, a potential restraining force on the economy's rebound. In North Carolina, unemployment reached 11.1 percent in January, the latest figures available; South Carolina's rate was 12.6 percent.

Bernanke said the Fed "will not be able to wait until things are completely back to normal" before it starts to boost rates. But the Fed wants to make sure that the economy is on a sustainable growth path and that jobs are being created, he said.

The Fed also wants to see more lending by banks before it starts tightening credit, Bernanke said.

"The key point ... is that the Fed is no closer to implementing its exit strategy," said Paul Dales, an economist at Capital Economics. Bernanke's remarks suggest "he is in no hurry" to raise rates, Dales said.

On Wall Street, the Dow Jones industrial average, which had risen as much as 119 points earlier in the session, pared gains late in the day on renewed concerns about Greece's debt problems. The Dow closed up 5.06 points.

The Fed kept a pledge last week to hold rates at record lows for an "extended period," a decision that drew one dissent.

Bernanke said the term "extended period" isn't a fixed number of months. Rather, it's tied to how economic conditions evolve. If the economy were to rebound more strongly than anticipated, the Fed would "respond appropriately" and start raising rates, Bernanke explained.

Thomas Hoenig, president of the Federal Reserve Bank of Kansas City, however, expressed concern that keeping rates at record lows could cause a buildup of "financial imbalances" and put the economy's stability at risk. Analysts took that to mean low rates could spur a new speculative bubble later on that could burst and hurt the economy.

A housing boom that went bust thrust the country into the worst economic and financial crises since the 1930s.

In other observations, Bernanke said the housing market is "still quite weak."

Nonetheless, the Fed is on track to shut down a \$1.25 trillion mortgage-securities-buying program at the end of this month. The program has lowered mortgage rates and bolstered the housing market.

Bank Notes

State: 'Substantial changes' in banking

N.C. Banking Commissioner Joseph Smith said Thursday that the industry's performance during the recession has been "less than perfect" and called for "substantial changes," including increased lending to small businesses and low-income families.

North Carolina profited significantly in the recent past "through easy credit and continually rising real estate prices — that is, until the bill came due," Smith said, according to a speech he gave Thursday night at the UNC School of Law's annual Banking Institute in Charlotte.

Smith said that banks should be accessible to deserving poor families so they aren't forced to use "alternative financial services." He was referring to companies such as payday lenders, which have been accused of high rates and abusive practices.

"In my view, the moral, social and economic implications of granting these people financial citizenship are obvious," Smith said.

Smith also called for banks to increase lending to small businesses. He acknowledged that those loans can be risky, but noted a new state program that helps banks tap into Small Business Administration loans.

He also called for banks to restructure their commercial real estate portfolios, even if the initial losses are painful. And he called for banks to wean themselves from construction and development loans — and consumer fees — as big sources of revenue.

"If the banking industry is to return to health," Smith said, "there will need to be substantial changes."

— CHRISTINA REXRÖDE

Business Digest



AUTOS

When it was launched less than a year ago, the \$2,500 Tata Nano was promoted as a safe, ultra-cheap car for poor Indians.

New questions about the safety of the pint-sized auto are being raised, however, after one of them (shown above) burst into flames Sunday as it was being driven home from the showroom.

Software engineer Satish Sawant, his wife and 5-year-old son escaped from the silver Tata Nano — which still bore a celebratory garland of marigolds on the front hood — before the tiny car was engulfed by fire. — ASSOCIATED PRESS

EARNINGS

Even in a weak economy, Americans increasingly feel that gadgets such as smart phones aren't luxuries but necessities.

That shift has helped electronics sales weather the recession better than some other categories and helped Best Buy post a strong fourth-quarter profit Thursday on a steep sales increase fueled by flat-panel TVs, notebook computers and wireless gadgets.

Best Buy's profit rose 37 percent, and its revenue grew 12 percent to \$16.55 billion. — ASSOCIATED PRESS

Stock Quotes

Market Summary

Table with columns: NYSE, NASDAQ, Vol. (in mil.), Pvs. Volume, Declined, New Highs, New Lows, DOW, DOW Trans., DOW Util., NYSE Comp., NASDAQ, S&P 100, S&P 500, S&P 400, MiniSine 5000, Russell 2000, High, Low, Close, Chg, %Chg, Wk Mo Qtr, YTD %Chg, YTD %Chg.

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Carolinas Inc.

Table with columns: Name, Close, Chg, %Chg, Div, Name, Close, Chg, %Chg, Div. Lists various companies like IngerRd, InglesMkts, Insteel, Int'lTI, JacobsEng, etc.

Readers' Choice

Table with columns: Name, Close, Chg, %Chg, Div, Name, Close, Chg, %Chg, Div. Lists companies like Expedia, ExcomMbl, FPL CpG66, etc.

The list below includes stock listings from the NYSE, NASD, and AMEX stock exchanges.

Large table with columns: Name, Close, Chg, %Chg, Div, Name, Close, Chg, %Chg, Div. Lists a wide variety of companies including AFLAC, AT&T Inc, AXL, Airtelab, AccorBanc, etc.