AGENDA

Meeting Type:	B
Date:	02/22/99

City of Charlotte, City Clerk's Office

CHARLOTTE

Mayor Patrick McCrory *Mayor Pro Tem Lynn Wheeler*

Rod Autrey
Charles Baker
Patrick Cannon
Malachi Greene
Mike Jackson
Nasif Rashad Majeed
Don Reid
Al Rousso
Tim Sellers
Sara Spencer

Council Agenda

OFFICE COPY

CITY COUNCIL MEETING

Monday, February 22, 1999

5:00 p.m.	**Conference Center** **Dinner Briefing** **(See Table of Contents)**
6:30 p.m.	**Meeting Chamber** • **Invocation** • **Pledge of Allegiance** • **Citizens Forum**
7:00 p.m.	• **Awards and Recognitions** • **Formal Business Meeting**

1999 Council Retreat Priorities

High Priorities for 1999

Transportation Plan

Policing Evaluation and Direction

State Roads Action: Increased Funding

Transit Plan and 1/2¢ Sales Tax: Implementation

West Side Strategic Plan Implementation

Top Priorities for 1999

Corridor Plan

Planning for the City: The Economic Development and the Center City Plan

Court System: Expansion

Business Retention Strategy and Action Plan

Community Strategic Plan for Housing

Neighborhood/Business Revitalization Strategy

Eastside Strategic Plan

CITY COUNCIL AGENDA

Monday, February 22, 1999

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5:00 P.M. DINNER BRIEFING
CONFERENCE CENTER

1. Transportation Committee: Traffic Calming on Major Collector Streets

Committee Co-Chairs: Sara Spencer and Al Rousso

Staff: Randy Jones

Time: 20 minutes

2. Williamsburg Petition for Curb and Gutter Assessment

Staff: Jeb Blackwell

Time: 20 minutes

Attachment 1

3. New Arena Committee Budget Proposal

Resource: John Fennebresque, Chairman New Arena Committee

Time: 20 minutes

4. Committee Reports by Exception

- City Within A City: Weed and Seed Contract, Neighborhood Quality of Life Index Update, and Brownfield Cleanup Demonstration Pilot Application

6:30 P.M. CITIZENS FORUM

7:00 P.M. AWARDS AND RECOGNITIONS
MEETING CHAMBER

CONSENT

5. **Consent agenda items 18 through 36 may be considered in one motion except those items removed by a Councilmember. Items are removed by notifying the City Clerk before the meeting.**

Staff Resource: Julie Burch

PUBLIC HEARING

6. Public Hearing To Close Portions of an Alleyway north of Sunnyside Avenue between Hawthorne Lane and Lamar Avenue.

Action:

A. Conduct a public hearing to close portions of an alleyway north of Sunnyside Avenue between Hawthorne Lane and Lamar Avenue; and

B. Adopt the resolution to close.

Staff Resource: Scott Putnam

Policy: To abandon right-of-way that is no longer needed for public use

Explanation: North Carolina General Statute 160A-299 outlines the procedures for permanently closing streets and alleys. The Charlotte Department of Transportation has received a petition to abandon public right-of-way and is requesting this Council Action in accordance with the statute.

Petitioner:
Donald W. Powers

Right-Of-Way to be abandoned:
Portions of an alleyway north of Sunnyside Avenue between Hawthorne Lane and Lamar Avenue

Location:
From Sunnyside Avenue northwardly approximately 300 feet and ending at the alleyway running in the east/west direction between Hawthorne Lane and Lamar Avenue

Reason:
To incorporate the right-of-way into adjacent property owned by the petitioner

Notification:
In accordance with City Policy the Charlotte Department of Transportation (CDOT) has sent abandonment petitions to adjoining property owners, neighborhood associations, private utility companies and City Departments for review

Adjoining property owners - No objection
Private Utility Companies - No objection

Review by City Departments has identified no apparent reason this closing would:

1. Be contrary to the public interest; or
2. Deprive any individual(s) owning property in the vicinity reasonable ingress/egress to his property as outlined in statues.

Attachment 2
Map

POLICY

7. City Manager's Report

8. New Arena Committee Proposed Budget

Action:

A. Approve the proposed budget developed by the New Arena Committee to support its work in developing one or more design, location and financial models for Council consideration by July 1, 1999;

B. Authorize the City Manager to enter into a contract with CSL International in the amount of $75,000 plus expenses to provide professional services to the New Arena Committee and to its three subcommittees; and

C. Authorize the City Manager to allocate funds in the amount of $30,000 to provide for a public involvement and education process in support of the committee's work.

New Arena Committee: John Fennebresque, Chairman

Staff Resource: Del Borgsdorf

Focus Area: Economic Development

Explanation:

- To properly and adequately discharge its responsibilities, the New Arena Committee believes it is essential for the Committee to receive professional support and information. The recommended consultant is fully knowledgeable and can bring a national perspective on each of the issues with which the committee and its three subcommittees must deal.

- The proposed Public Involvement and Education Process has a two-fold goal:

- Create opportunities for the committee members to receive feedback and input from citizens about the issue

- Provide sufficient opportunities for citizens to learn about the issue and to receive updates and background information

Background:

- The New Arena Committee was appointed in August 1998 by the Mayor and City Council.

- The Mayor and Council have charged the Committee to:

  - Review and confirm previous recommendations regarding the need for a new facility, including size, location, and cost, and report to the City Council its recommendations on or before January 1, 1999. (Note: the Committee reaffirmed the recommendations of the Cameron Committee regarding the need for a new facility; the Committee submitted its report to the Mayor and Council on December 14, 1998. Receipt of this report also met the City's obligation of Section 7.4 of the amending Agreement between the City, Coliseum Authority and Charlotte Hornets).

  - Develop one or more models for City Council consideration which includes funding, financing, ownership, etc. and present such model(s) to City Council on or before July 1, 1999.

  - Make recommendations to the City Council concerning public involvement in the new arena process on or before December 31, 1999.

Funding:

Following execution of the Amending Agreement (dated April 13, 1998) the Charlotte Hornets and the Auditorium-Coliseum-Convention Center Authority together reimbursed the City a total of $183,515 (the City's costs for the process which led to the new agreement). This amount (less approximately $20,000

already spent by the committee for the two-day fact-finding visit to three arenas in November) is available for use by the New Arena Committee in its work and will be the source of funding for this request.

Attachment 3

9. Traffic Calming on Major Collector Streets

Action: **Approve the Transportation Committee recommendation to adopt staff's guidelines for placing traffic calming on Major Collector Streets.**

Committee Co-Chairs: Sara Spencer and Al Rousso

Staff Resource: Randy Jones

Policy: Neighborhood Traffic Program - On October 13, 1997, City Council added speed humps to the Neighborhood Traffic Program which also offers traffic circles, multiway stops, and turn restrictions to assist with controlling speeds and traffic volumes in neighborhoods.

Explanation:

- CDOT has installed 171 speed humps on City streets during the past two years. It has become apparent that many major collector streets may qualify for speed humps under Council policy. However, all major collectors may not be appropriate for traffic calming devices such as speed humps or multi-way stops.

- Because of the importance major collectors and thoroughfares play in our transportation and emergency response networks and their link to economic development, staff sought clarification from the Transportation Committee on the intended use of traffic calming devices on these type streets.

- Staff recommends City Council adopt the following standards:

1. Speed humps and multi-way stops will not be used on thoroughfares except in high pedestrian areas. Possible locations in the future could include Elizabeth in the Central Piedmont Community College area, or Trade Street in the Gateway Center area. Other traffic calming devices such as circles/roundabouts might be permissible on a case-by-case basis.

2. Speed humps and multi-way stops should not be used on major collectors which are functioning as thoroughfares.

3. Speed humps are not eligible on streets with a speed limit of 35 mph or more.

4. Test a 30 mph designed speed hump on Major Collectors with 30 mph speed limit.

   - If the test is successful, incorporate their use in the Traffic Calming Program.

   - Proposed test locations are: Euclid Avenue, Raintree Lane, and Seneca Place.

5. On all other collector and local streets, the speed limit must be 25 mph, for which the current 20 mph speed humps will be used.

Committee Discussion:

- Discussion centered around whether we should first consider lowering speed limits on streets with speeding problems. Staff experience has shown streets with lowered speed limits more easily meet our criteria for placement of speed humps. Streets with speed limits of 35 MPH or more will be required to lower their speed limit to at least 30 MPH, for a major collector, and 25 MPH for all other streets.

- **The Committee did not have a quorum, but voted 2-0 to accept staff's recommendations and forward the package to City Council. By adopting these guidelines, Euclid Avenue, Raintree Lane, and Seneca Place can be used for testing the 30 mph speed hump.**

- Committee members are: Sara Spencer and Al Rousso, Co-Chairs; Mike Jackson, Rod Autrey and Malachi Greene. Two committee members were present at the meeting: Sara Spencer and Rod Autrey.

Community Input: Members of the Madison Park Neighborhood who represent interests on Seneca Place were present and were pleased with the Committee's recommendation.

Attachment 4

10. Weed and Seed Contract

Action:

A. Approve a one-year contract with the West Enterprise Community in the amount of $175,000 for implementation of the Weed and Seed Strategy; and

B. Approve $75,000 for the Charlotte Mecklenburg Police Department to fund the Nuisance Remedy Program and implement other community policing initiatives in association with the Weed and Seed Strategy.

Committee Chair: Rod Autrey

Staff Resource: Stanley Watkins

Focus Area: City Within A City

Policy: The Weed and Seed program supports the City Within A City (CWAC) strategy and the Westside Strategic Plan.

Explanation:

- On July 27, 1998, City Council accepted a United States Justice Department Grant in the amount of $250,000 to fund the program initiatives of the Weed and Seed Strategy.

- The West Enterprise Community contract provides resources to implement the prevention, intervention, treatment and neighborhood restoration initiatives of the Weed and Seed Strategy. The contract includes the hiring of a Weed and Seed Coordinator and Safe Haven Director.

- Through the Memorandum of Understanding, the Charlotte Mecklenburg Police Department will hire a Coordinator and administer the Nuisance Remedy Program. This program will allow residents to work with the Police Department to identify and track locations where nuisance activities are taking place that are detrimental to the neighborhood's quality of life. Once the locations are identified, the neighborhood residents can work with the landlords or property owners to resolve the nuisance problems.

- The City will serve as fiscal agent and contract monitor for the grant implementation.

Background:

- Weed and Seed is a United States Justice Department initiative designed to facilitate law enforcement, neighborhood organization and local government collaboration in order to weed out neighborhood crime, drugs and other undesirable conditions and to seed them with restorative improvement activity.

- Charlotte was designated as a Weed and Seed site on February 3, 1998. The Weed and Seed neighborhoods are:

  1. Dalton Village
  2. Pinecrest
  3. Ponderosa/Wilmont
  4. Reid Park
  5. Revolution Park
  6. Westover Hills
  7. Wilmore
  8. Wingate
  9. West Boulevard

Committee Discussion:

- The City Within A City Committee will discuss this item at their meeting on February 19, 1999. The Committee's report and recommendation will be given during Council's Dinner Briefing on February 22, 1999.

Funding: The United States Justice Department Grant in the amount of $250,000.

Attachment 5
Weed and Seed Objectives & Budget
Nuisance Remedy Program & Budget
Weed and Seed Steering Committee

11. Neighborhood Quality of Life Index Update

Action: **Approve the City Within A City Committee recommendation to award a contract to the UNCC Urban Institute for $131,155 to provide an update to the Neighborhood Quality of Life Index with the following changes:**

1. **Reduce the number of study variables from 28 to 22;**

2. **Expand the geographic boundaries of the study to include the City of Charlotte and Charlotte's Sphere of Influence; and**

3. **Establish a two-year update schedule for the study.**

Committee Chair: Rod Autrey

Staff Resource: Stanley Watkins

Focus Area: City Within A City (CWAC)

Explanation:

- The Neighborhood Quality of Life Index supports the CWAC Focus Area which was established by City Council in 1991 to comprehensively address economic development and quality of life issues in Charlotte's older urban neighborhoods and business areas.

- An expanded Neighborhood Quality of Life (NQL) Index will provide a benchmark of social, crime, economic and physical conditions in all of Charlotte's existing and future neighborhoods. The NQL Index will be used to measure the success of the City's neighborhood initiatives, as well as identifying future target areas for City intervention.

- Neighborhoods in the NQL Index are defined as neighborhood statistical areas, which include one or more locally recognized neighborhoods.

- The NQL Index will track 22 locally-generated variables to measure neighborhood change over time. The only other source of neighborhood variables is the U.S. Census, which is only produced every ten years.

- The study is expected to be available in the first quarter of 2000.

- A City/County team consisting of representatives from Neighborhood Development, Planning, Police, Mecklenburg County Departments of Health and Social Services and Charlotte Mecklenburg Schools met with a UNC Charlotte research team to discuss changes to the NQL Index.

- The research team's recommendations for the NQL Index were as follows:

  - Variables - Reduce the number of study variables from 28 to 22. The variables excluded from the research process were either (a) perceived as poor indicator variables, or (b) no long available in usable form.

  - Geographical Coverage - It is recommended that the NQL Index encompass all Charlotte neighborhoods and the City's sphere of influence. Other options considered were to do CWAC only and the City of Charlotte. One hundred seventy-seven neighborhood statistical areas will be included in the expanded geography.

  - Timing - The NQL Index need not be updated annually. An annual update would not capture the substantive changes in neighborhood conditions. A schedule of every two years would result in up-to-date data while avoiding the significant costs of more frequent data collection and analysis.

- Data Collection Process - City and County organizations contributing to the project should subscribe to an inter-agency agreement or understanding that commits their organization to providing machine-readable, address-matched data to the project.

- The UNCC Urban Institute proposal included the following prices depending on the scope of service:

  - $103,555 - NQL Index focusing on CWAC only;

  - $122,980 - NQL Index including the entire Charlotte City Limits; and

  - $131,155 - NQL Index including Charlotte's Sphere of Influence.

- The NQL Index will be jointly funded by the following agencies that benefit from the study: Neighborhood Development, Police, Planning, Solid Waste, and Mecklenburg County.

Background:

- In September 1996, the Neighborhood Development Key Business and the Charlotte-Mecklenburg Planning Commission contracted with UNCC's Urban Institute to develop a NQL Index for the CWAC neighborhoods. The study, completed on May 30, 1997, was also prepared in partnership with the Charlotte-Mecklenburg Police Department.

- The 1996 study was preceded by a 1993 study, City Within A City Assessment prepared by the Planning Commission.

Committee Discussion:

- On January 20, 1999, the City Within A City Committee reviewed the Neighborhood Quality of Life Index Update.

- The Committee voted 3-0 (Rod Autrey, Sara Spencer and Patrick Cannon; Tim Sellers was absent, Mike Jackson arrived after the vote) to recommend that Council approve the contract with the University of North Carolina at Charlotte - Urban Institute to update the Neighborhood Quality of Life Index.

- The recommendation included the variable reduction from 28 to 22, expanding the study area to include all of the City of Charlotte and Charlotte's Sphere of Influence, and establish a two-year cycle for future updates of the study.

- The Committee discussion focused on the benefits of expanding the geographic scope of the study and two-year cycle for future updates. Expanding the geography of the study will give a picture of conditions in all neighborhoods, especially identifying at risk neighborhoods outside of CWAC. The two-year cycle for updates will allow time to assess the impact of City initiatives in CWAC.

Funding: A joint funding schedule has been developed to include Neighborhood Development, Planning, Police, Solid Waste, and Mecklenburg County.

Attachment 6
- CWAC Committee Meeting Summary for January 20, 1999
- Proposal to Prepare an Updated Quality of Life Study for the City of Charlotte
- Map of Expanded Geography

12. Brownfield Cleanup Fund Demonstration Pilot Application

Action: **Authorize the City to submit an application to the U.S. Environmental Protection Agency (EPA) by March 8, 1999 for a $500,000 Brownfield Cleanup Revolving Loan Fund Demonstration Pilot.**

Committee Chair: Rod Autrey

Staff Resource: Stanley Watkins

Focus Area: City Within A City (CWAC) and Economic Development

Policy: The CWAC and Economic Development Focus Areas support the revitalization of distressed business districts. Environmental contamination has been identified as a critical impediment to the successful revitalization of Charlotte's distressed business districts. The Brownfield Cleanup Revolving Loan Fund would create an incentive to help redevelop these under utilized sites.

Explanation:

- The Brownfield Cleanup Revolving Loan Fund (BCRLF) will support Charlotte's EPA Brownfield Pilot by providing low interest loans for environmental cleanup. The BCRLF will act as an incentive to redevelop brownfield sites in targeted business districts, fragile and threatened neighborhoods and state development zones. Funds are eligible for cleanup activities only.

- The BCRLF will limit lender risk and the uncertainty associated with the environmental cleanup phase of a project, permitting banks to commit permanent financing to projects contingent on site cleanup.

- The BCRLF will support and complement other City Within A City initiatives including the City's Corridor Revitalization Program and the CWAC Equity Loan Program. No City match is required to support this grant.

- The BCRLF would have a limited scope directed toward assisting only in the cleanup phase of redevelopment projects. No specific sites have been targeted at this time.

- The grant application must be submitted by March 8, 1999. The City received notification of the grant on January 15, 1999. Due to timing, we are only requesting authorization to submit an application. If the City is awarded the grant, we will come back to Council for acceptance of the grant, Budget Ordinance appropriation and formal program guidelines. EPA expects to award grants by May 1999.

Background:

- In 1996 the City was awarded a $200,000 EPA Brownfield Pilot Grant to help with site assessment of properties suspected of contamination in the SouthEnd - Wilmore areas. The goal of assisting the redevelopment of two to three private sector sites was exceeded with five sites receiving assistance in the first year. Two of these projects are complete, representing approximately $14 million invested and 400 new jobs created. The remaining three projects are in the process of redevelopment.

- In 1998, The University of North Carolina at Charlotte completed a study on the extent of the brownfield issue in Charlotte. They found nearly 3,000 sites, representing over $2 billion in taxable value, where it was likely that contamination and/or testing would complicate redevelopment efforts.

- The City's Brownfield program has been recognized as an innovative and effective Pilot. North Carolina's first brownfield agreement under the Brownfield Property Reuse Act of 1997 was a Charlotte pilot project, Camden Square. Charlotte was recognized in the VA-HUD Appropriations Bill as a "leader in developing relationships with the banking and small business communities in dealing with brownfields." The City was awarded a Savvy Award from the International City County Marketing Association for its public outreach materials and selected as a Peer City by International City County Management Association to assist Pomona, CA in community input relating to brownfields. Charlotte has also been selected to host a number of conferences, most recently the American Planning Association and the Hazardous Materials Training Research Institute, for its brownfield work.

- On January 15, 1999, the City received the Notice of Fund Availability for the BCRLF Demonstration Pilot. On February 1, 1999, the City held a focus group of bankers, environmental professionals and brownfield partners to discuss the proposed program.

Committee Discussion:

- The City Within A City Committee will meet on February 19, 1999 to discuss the BCRLF. The Committee's report and recommendation will be given at Council's dinner briefing on February 22, 1999.

Funding:

Federal Environmental Protection Agency. No match is required from the City.

Attachment 7
Brownfield Projects Summary
Popular Government Magazine Article on Brownfields

BUSINESS

13. Sale of Old Convention Center

This item will be included in the Friday, February 19 Council-Manager memo.

14. Sale of Property at South Cedar and West Fourth Streets

Action: **Select the proposal from Summit Properties as the initial offer to purchase the property at South Cedar and West Fourth Streets, and begin the upset bid process.**

Staff Resource: Jim Schumacher

Policy: "City Council will balance the benefits of the sale of any of its assets with other Council policies and goals"- Guidelines for Services Contracting and Asset Management, July 25, 1994. City Council's Third Ward Concept Plan calls for urban, mixed use development on this property.

Explanation:

- Engineering & Property Management received two proposals for the purchase of this property: Summit Properties and a joint venture between The Boulevard Company and Post Properties. Both proposals offer the minimum purchase price of $20 per square foot. (The City purchased this land in 1994 for $10 per square foot.)

- Both firms made presentations to City Council at the January 11, 1999 dinner meeting.

- Each firm presented their plans to Third Ward residents at a neighborhood meeting on February 10, 1999. Residents responded to the presentations with questions related to traffic, parking and green space. There was no apparent preference among the residents for one proposal or the other.

13 . Sale of Old Convention Center

Action: **Consider options for responding to The Taubman Company's request to delay the due date of the Second Extension Payment until 60 days past the City Council's decision on the SouthPark Mall rezoning.**

Staff Resource: Tom Flynn

Policy: City is to manage and maximize its existing portfolio of assets by packaging and marketing existing properties for sale.

Explanation of Request:

The City/Taubman Sales Contract for the Old Convention center currently allows The Taubman Company to extend their due diligence periods in six month increments on the following schedule:

Beginning date	Payment to City
Sept. 1, 1998	$150,000
March 1, 1999	$400,000
Sept. 1, 1999	$500,000

The primary purpose of these due diligence periods is to provide The Taubman Company time to acquire additional land for their project and obtain letters of commitment from department stores. The Taubman Company has succeeded in acquiring additional land for their project, specifically, the Norfolk-Southern land across Fourth Street.

They have not succeeded in gaining commitments from department stores during this first due diligence period. As Bruce Heckman explains in the attached letter, "We need department store commitments to make our project a reality. It is obvious that such commitments will not be forthcoming until the City completes its consideration of SouthPark's rezoning request." Therefore, The Taubman Company is asking City Council to postpone the due date of the March 1, 1999 payment until 60 days after the SouthPark Mall rezoning decision.

Options

Option 1: Approve The Taubman Company's request. (Not Recommended)

Consequences: (See Decision Outline in Attachment 2)

A. The City gets no monetary consideration for extending the due date. City assumes all of the risk of keeping the property off the market.

B. Postpones the date when the City will know if the Old Convention Center is sold.

C. Postpones the date the City will get money from the sale of the Old Convention Center.

D. Gives Taubman flexibility to respond to changes in the market.

E. Regardless of the Council's decision on the SouthPark Mall rezoning, The Taubman Company can still decide not to purchase the Old Convention Center

F. There is no clear authority under State Statutes for upset bids for the proposed modifications of a material term of the contract. This decision may be challenged in Court.

G. Taubman can terminate the contract at any time.

Option 2: Deny the Taubman Company's Request

Consequences: (See Decision Outline in Attachment 2)

A. If Taubman terminates the contract, the City regains control over the Old Convention Center and can re-market it, but the City loses the $400,000 due diligence payment due February 28, 1999.

B. Taubman may continue the contract by paying the $400,000 by February 28, 1999, although Bruce Heckman's letter says they will not make this payment

C. Taubman may close on the site within 30 days after February 28, 1999, although Bruce Heckman's letter indicates they would not do this.

D. Without proposed State Legislation, the City is very limited in the ways the City can sell this property.

OPTION 3: Extend the Due Diligence Period on a month-by-month basis for $58,000 per month until December 31, 1999. Third extension payment of $500,000 due by January 1, 2000.

Consequences:.

A. City gets monetary consideration and a return on its asset for extending the due date and the risk of keeping the property off the market.

B. Ties the City's monetary return on the City's asset to the opportunity cost (lost interest on sales price) of keeping that asset off the market.
C. City does not accept the first request made by Taubman, while recognizing Taubman's need for flexibility in the market place.
D. A modification that provides payment for the City's time/risk is less of a modification than what is proposed under Option 1, and therefore, more defensible in court. However, there is still no clear authority under the State Statutes for modification of a material term of the contract.

Option 4: Relieve Taubman of contract requirement to develop a regional shopping center on this site, but require payment of the $400,000 due diligence payment due February 28, 1999.

Consequences:

A. Allows Taubman or another developer to develop the site for other uses as market conditions dictate.
B. The City will know by February 29, 2000, at the latest, if the Old Convention Center is sold.
C. City receives compensation for keeping the Old Convention Center off the market.
D. This contract modification is the most legally defensible of the three options that change the contract.

Manager's Recommendation

The City Manager is still in discussions with The Taubman Company concerning Options 3 and 4. The Manager will present her recommendation to the City Council at Monday's Council Dinner.

Attachment _

1. February 12, 1999 Letter from Bruce Heckman to Pamela Syfert
2. Decision Outlines for Options 1 and 2
3. City/Taubman Sales Contract on the Old Convention Center

Taubman

The Taubman Company
200 East Long Lake Rd. Suite 30
PO Box 200
Bloomfield Hills MI 48303-0200
(248) 258-6800

February 12, 1999

Ms. Pamela A. Syfert
City Manager
City of Charlotte
600 E. Fourth Street
Charlotte, North Carolina 28202

Re: *Old Convention Center*

Dear Ms. Syfert,

As you know, The Taubman Company entered into its contract with the City of Charlotte to purchase the Old Convention Center in February of 1998. Since that time we have worked diligently to make the proposed Uptown project a reality. We have surveyed the property, conducted a detailed environmental analysis and developed many design alternatives for the site. Simultaneously, we have worked to secure additional adjacent land and explored joint relationships with nearby property owners. In addition, we have aggressively marketed the site to several department stores.

Despite these efforts, the primary obstacle to our making more progress on the Uptown project is the announced rezoning by SouthPark Mall. Until that issue is resolved by the City Council none of the department stores we are talking to will make commitments to the Uptown site They see issues from two related perspectives: (1) If SouthPark is able to add more than one new department store, they must first evaluate whether they are best served by joining that project, and (2) The vote on the SouthPark rezoning will clearly be an indicator of the City Council's commitment to major regional retail in Uptown.

We need department store commitments to make our project a reality. It is obvious that such commitments will not be forthcoming until the City completes its consideration of SouthPark's rezoning request. On that basis it should be understandable why The Taubman Company is unwilling to risk $400,000 to extend its option on the Old Convention Center before the SouthPark issue is decided. We still believe strongly that a major Uptown retail project is viable. We further believe that as the developers of the most successful downtown regional retail projects in the country, we have the highest potential of making an Uptown Charlotte project a reality.

As evidence of this potential, we are pleased to announce that we have successfully negotiated with Norfolk Southern Railway Company for control of an additional 4.2 acres of land adjacent to the Old Convention Center, more than doubling the size of our project site.

In light of these issues surrounding the SouthPark Mall rezoning and in recognition of our potential to bring destination retail to Uptown, we respectfully request that the City of Charlotte defer the date for the election of the Second Extended Due Diligence Period until a time 60 days beyond the date that the City Council takes final action on the announced rezoning amendment to expand SouthPark Mall.

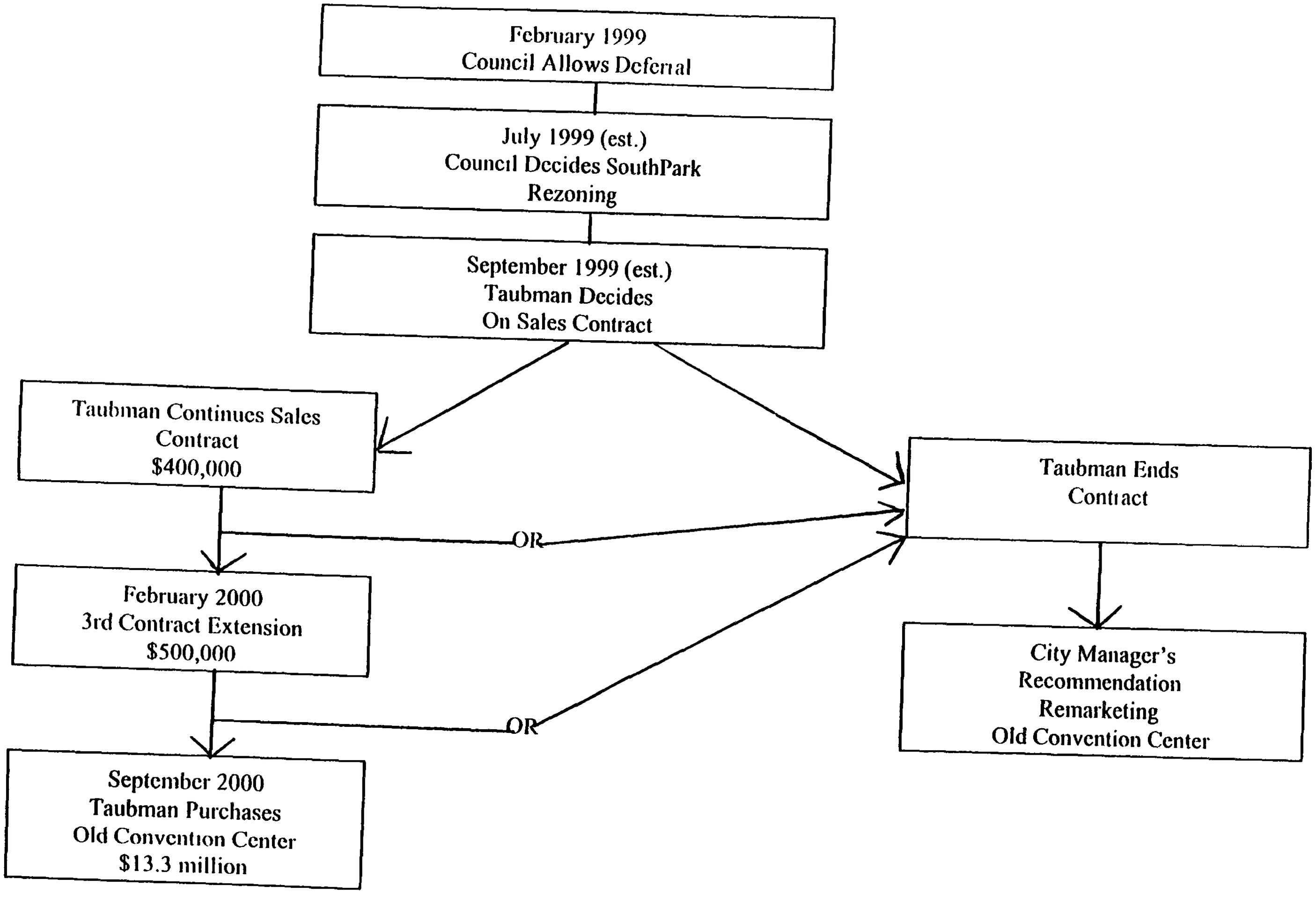
We ask the City Council give serious consideration to our proposal in furtherance of the Council's policy of encouraging major retail development in Uptown.

Sincerely,

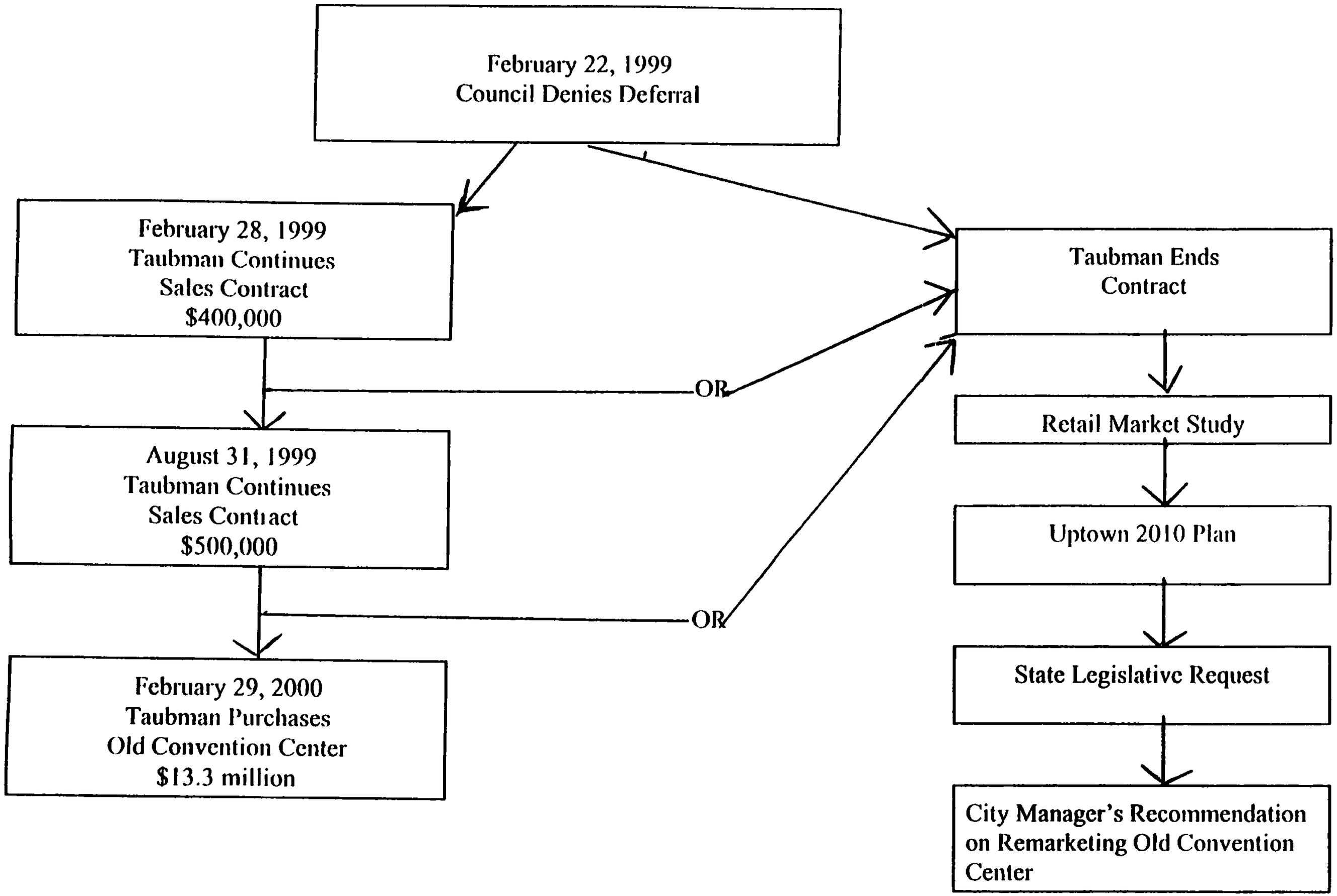
Bruce W. Heckman
Vice President, Development

/cb

Decision Outline: Option 1



Decision Outline: Option II



CONTRACT OF SALE AND PURCHASE

THIS AGREEMENT (the "Agreement") is made and entered into this 23 day of February, 1998, by and between the City of Charlotte, North Carolina, a municipal corporation ("Seller"), and THE TAUBMAN REALTY GROUP LIMITED PARTNERSHIP, a Delaware limited partnership ("Buyer").

RECITALS:

A. Seller is currently the owner of the fee simple interest in and to that certain property described on Exhibit A attached hereto or to be attached hereto during the Preliminary Due Diligence Period as hereinafter defined (the "Property"). The Property is located in the City of Charlotte, North Carolina, being generally described as a full city block between East Trade Street and East Fourth Street and commonly referred to as the former Charlotte Convention Center property, and consists of approximately 3.25 acres of land and the improvements located thereon. The exact metes and bounds legal description of the Property shall be established by the survey hereinafter provided for and shall thereafter be a part of this Agreement for all purposes.

B. Buyer desires to purchase the Property in order to construct and complete one or more retail commercial buildings as a regional shopping center (the "Regional Shopping Center").

C. The parties to this Agreement have agreed to the sale and purchase of the Property on the terms and conditions set forth in this Agreement.

AGREEMENT:

1. Purchase and Sale. Subject to all of the terms and conditions of this Agreement, Seller will sell to Buyer and Buyer will purchase from Seller the Property, together with all improvements, appurtenances, rights, easements and rights of way incident thereto.

2. Purchase Price and Method of Payment. The Purchase Price to be paid by Buyer to Seller for the Property shall be:

(i) Twelve Million One Hundred Eighty-one Thousand Dollars ($12,181,000) provided that the Closing of the purchase of the Property takes place within thirty (30) days after the expiration of the Preliminary Due Diligence Period (as hereinafter defined).

(ii) Twelve Million Five Hundred Fifty-two Thousand Dollars ($12,552,000) if the Closing of the purchase of the Property takes place within thirty (30) days after the expiration of the First Extended Due Diligence Period (as hereinafter defined);

(iii) Twelve Million Nine Hundred Sixteen Thousand Dollars ($12,916,000) if the Closing of the purchase of the Property takes place within thirty (30) days after the expiration of the Second Extended Due Diligence Period (as hereinafter defined); and

(iv) Thirteen Million Two Hundred Ninety Thousand Dollars ($13,290,000) in the event that the Closing of the purchase of the Property takes place within thirty (30) days after the expiration of the Final Extended Due Diligence Period (as hereinafter defined).

The Purchase Price as determined by the date of Closing is referred to herein as the "Purchase Price". The Purchase Price shall be subject to prorations and adjustments as hereinafter set forth and payable as follows:

A. Buyer has deposited with the Clerk of the City of Charlotte the sum of Six Hundred Sixty-five Thousand Dollars ($665,000) in accordance with the Notice of Upset Bid Procedure published by the Seller in *The Charlotte Observer* on Wednesday, December 10, 1997. The funds so deposited with the Clerk of the City of Charlotte plus any additional amounts required to be deposited by Buyer as provided in Paragraph 2C. hereof (and all interest earned thereon and not disbursed to the City as provided in the 6th sentence of this Paragraph 2A), is referred to herein as the "Deposit". The Deposit shall be invested in the same manner as the City of Charlotte invests idle funds in accordance with the provisions of N.C. Gen. Stat. §159-30. Said Deposit shall be specifically identified on the records of the City of Charlotte as being a deposit pursuant to this Agreement and the City of Charlotte shall, not less than quarterly, or on such other periodic basis as Buyer and Seller shall mutually agree, provide to Buyer and Seller a statement confirming the amount on deposit with the City of Charlotte pursuant to this Agreement and all interest earned thereon to the date of such report. The Deposit (and all Extension Payments) shall be credited toward the Purchase Price at the time of Closing (as hereinafter defined). All interest earned on the Deposit from time to time shall be first applied to reimburse the Seller for actual out-of-pocket costs incurred by Seller in promoting the development of the Old Convention Center for a destination retail project (such out-of-pocket expenses to be documented in a manner mutually acceptable to Buyer and Seller) and all remaining interest shall be credited toward the Purchase Price at the Closing. In the event of the termination of this Agreement under any provision hereof, all interest earned on the Deposit not otherwise payable to the Seller as reimbursement for out-of-pocket expenses as provided in the immediately preceding sentence shall be paid to the party entitled hereunder to receive the Deposit; provided, however, if Buyer terminates this Agreement after the Preliminary Due Diligence Period, Buyer shall be required to pay to Seller an amount equal to (i) the interest distributed to Seller pursuant to the 6th sentence of this Paragraph 2A as reimbursement for approved expenses and (ii) any amount spent by the Seller, and approved by Buyer, in excess of interest earned. The delivery of the aforementioned Deposit shall be consideration for a preliminary due diligence period which shall extend for a period from the date hereof to midnight, August 31, 1998 (the "Preliminary Due Diligence Period").

During the Preliminary Due Diligence Period and any extensions thereof Buyer will perform the site feasibility and development analysis necessary in connection with its planned development of the Property as a Regional Shopping Center including, without limitation, performing the investigations related to the Property specified in items (a) through (j) set forth below:

(a) wetland studies, soil tests and Phase I environmental report;

(b) Investigation with potential tenants to confirm tenant interest;

(c) Traffic and engineering studies to determine site development costs;

(d) Preparation of a proforma to confirm project costs and the feasibility of development;

(e) Meetings with municipal and other local authorities in order to introduce the project and determine the likelihood of obtaining necessary zoning changes and other approvals necessary for the development;

(f) Obtain letters of commitment from at least two (2) department and/or specialty stores such as Belk, Nordstrom, Saks Fifth Avenue, Neiman Marcus, Lord & Taylor, Hecht's, Macys and Dillard to be a part of the Regional Shopping Center;

(g) Begin the application and hearing process and the preparation of exhibits and other documentation required by the municipality and other jurisdictional authorities in order to secure approvals;

(h) Prepare, and submit for approval of the City Engineer of Seller, which approval will not be unreasonably withheld, drawings, design criteria and other documentation for the Regional Shopping Center which describes the access to all streets and rail corridor adjacent to the Property, and, indicates, among other information the development plans related to preservation of and integration with the rail corridor, and develop and agree to such conditions, covenants, and restrictions of title to the Property as may be necessary to assure development in accordance with the foregoing. Provided, however, nothing contained herein shall obligate Buyer to pay or contribute for the capital costs of trolley or rail access stations beyond normal, reasonable structural access to the Property, and sidewalks adjacent to such stations entering into the Property;

(i) Study re-use of the existing improvements or portions thereof located on the Property or portions thereof; and

(j) Coordination of the development of the proposed Regional Shopping Center with the adjoining transportation center and the proposed transit corridor.

B. If Buyer has not elected to terminate this Agreement during the Preliminary Due Diligence Period, Buyer shall have the right to extend the Preliminary Due Diligence Period for an additional period of six (6) calendar months commencing September 1, 1998 and expiring on February 28, 1999 (the "First Extended Due Diligence Period"), by written notice to Seller given at least ten (10) business days prior to the expiration of the Preliminary Due Diligence Period with payment of One Hundred Fifty Thousand Dollars ($150,000) (the "First Extension Payment"). If Buyer has not elected to terminate this Agreement during said First Extended Due Diligence Period, Buyer shall have the right to extend the First Extended Due Diligence Period for an additional six (6) calendar months commencing March 1, 1999 and

ending August 31, 1999 (the "Second Extended Due Diligence Period") by written notice to Seller given at least ten (10) days prior to the expiration of the First Extended Due Diligence Period with payment of Four Hundred Thousand Dollars ($400,000) (the "Second Extension Payment"). If Buyer has not elected to terminate this Agreement during the Second Extended Due Diligence Period, Buyer shall have the right to extend the Second Extended Due Diligence Period for an additional period of six (6) calendar months commencing September 1, 1999 and ending February 29, 2000 (the "Final Extended Due Diligence Period") by written notice to Seller given at least ten (10) business days prior to the expiration of the Second Extended Due Diligence Period with payment of Five Hundred Thousand Dollars ($500,000) (the "Final Extension Payment"). Absent a default by Seller, the First Extension Payment, the Second Extension Payment and Final Extension Payment (individually and collectively, the "Extension Payment(s)") shall be non-refundable in the event Buyer terminates this Agreement for any reason whatsoever; however, such amount(s) shall be credited towards the Purchase Price at Closing.

If, on or before the expiration of the Preliminary Due Diligence Period and any extensions thereof, Buyer, in its sole discretion for any reason or for no reason at all determines the project is not feasible, Buyer shall have the right to terminate this Agreement by written notice to the Seller, and the Deposit less any Extension Payments made as herein provided, will be returned to Buyer and neither party shall have any further obligation to the other.

C. At the Closing, Buyer shall pay to Seller by cashier's check or certified check payable to the order of Seller or by wire transfer of funds, the Purchase Price (less the Deposit and all Extension Payments) or such greater or lesser amount as may be required after adjustments and prorations as provided herein, and said Deposit shall be paid to Seller at Closing pursuant to this Section 2. The First Extension Payment, the Second Extension Payment and Final Extension Payment shall be made by Buyer directing the City Clerk of the City of Charlotte, or such other division of the City of Charlotte as shall be responsible for investing the Deposit, to pay such amount to Seller out of the Deposit and, upon receipt of such instructions from Buyer, the City Clerk of the City of Charlotte, or such division thereof as shall be responsible for investing the Deposit, shall deliver the applicable Extension Payment to Seller (for example, if Buyer elects to make the First Extension Payment, One Hundred Fifty Thousand Dollars ($150,000) of the Deposit as held by the City Clerk of the City of Charlotte shall be paid by the Clerk to Seller); provided, however, in the event the amount of the Deposit at the time a required Extension Payment shall be due shall be insufficient in order to make such payment, Buyer shall be obligated to deposit such shortfall with the City Clerk of the City of Charlotte prior to the requisite due date for such Extension Payment.

3. Evidence of Title. Within ten (10) days from the Effective Date, Seller shall, at its sole cost and expense, provide to Buyer a commitment for a policy (ALTA Form B) of Owner's Title Insurance, which shall be written by Commonwealth Land Title Company (the "Title Company"). Copies of all documents constituting the exceptions referred to in the commitment shall be attached thereto. The commitment shall bind the insurer or insuring organizations to deliver to Buyer a policy of Owner's Title Insurance that will insure Buyer's title to the Property in an amount equal to the Purchase Price, subject only to liens, encumbrances, exceptions or qualifications as set forth in this Agreement, including any

covenants, restriction, and conditions arising from the approvals required by Seller of Buyer's plans as contemplated by Section 2A.(h), hereinabove. The cost of the premium for the issuance of the policy of title insurance in the amount of the Purchase Price shall be paid by Buyer. If the title as reflected in said commitment is found to be objectionable to Buyer (hereinafter "Title Defects"), Buyer shall, not less than forty-five (45) days prior to the expiration of the Preliminary Due Diligence Period, notify Seller in writing specifying Buyer's objections; and any such Title Defects not raised by Buyer within the Preliminary Due Diligence Period are waived. Seller shall have thirty (30) days from receipt of said notice within which time to remove said Title Defects, and if Seller is unsuccessful in removing same within said time, Buyer shall have the option of either (i) accepting the title as it is with the right to deduct from the Purchase Price liens and encumbrances of an ascertainable amount, or (ii) extending the Closing Date in order to provide Seller with additional time within which to remove said Title Defects, or (iii) demanding a return of the Deposit, which shall forthwith be returned to Buyer, and thereafter Buyer and Seller shall be released from all further obligations under this Agreement. Seller agrees that it will, if title is found to be objectionable, use diligent efforts to correct the Title Defects within the time limit provided therefor, including the bringing of necessary suits. Further, the title policy to be issued shall have deleted therefrom the standard general exceptions numbered one through five on Schedule B of the owner's title insurance commitment and shall contain such endorsements as are required by Buyer. It is understood and agreed by Buyer and Seller that Seller shall furnish the title commitment which shall be issued by Commonwealth Land Title Insurance Company or such other national title insurance company as selected by Buyer.

4. Survey. Within twenty (20) days from the Effective Date, Seller shall at its sole cost and expense, provide to Buyer copies of all current surveys in its possession. Thereafter, it shall be the responsibility of Buyer to prepare or cause to be prepared a current boundary and topographical survey of the Property dated after the Effective Date and prepared by a surveyor duly licensed by the state in which the Property is located. The surveyor shall be selected by Buyer. The topographical survey may be shown on two (2) foot intervals. The survey shall contain a certification of the acreage contained within the Property and show all easements and other matters which are capable of being located on a survey. The survey shall be performed according to ALTA standards and certified to Buyer, the title insurance company, and such other entities as Buyer may designate. Buyer shall notify Seller of Survey Defects (as hereinafter defined) not less than forty five (45) days prior to the expiration of the Preliminary Due Diligence Period. If the survey shows any encroachments, overlaps, easements or other matters which would, in Buyer's reasonable opinion, interfere with Buyer's intended use of the Property ("Survey Defects"), written notice to that effect shall be given to the Seller, and Seller shall have thirty (30) days to remove such encroachments, overlaps, easements or other matters as this Agreement allows to cure Title Defects. Any Survey Defects not raised by Buyer within the Preliminary Due Diligence Period are waived. If the Seller fails to remove said Survey Defects within said period of time, then Buyer shall have the option of (i) receiving a return of the Deposit, whereupon this Agreement shall be terminated and the parties shall be relieved of all further obligations and liabilities hereunder, or (ii) accepting the Property subject to said Survey Defects with the right to deduct from the Purchase Price those Survey Defects of an ascertainable amount, or (iii) extending the Closing Date in order to provide Seller with additional time in which to remove said Survey Defects.

5. Expenses, Prorations and Conveyance. The Seller shall pay for the state and county realty transfer taxes on the deed, any tax or taxes imposed by local, state or federal government on the profit derived from said sale, and the cost of recording any documents required to correct Title Defects or Survey Defects. The Buyer shall pay for the cost of recording the deed, such realty transfer taxes imposed by local ordinance and the premium for the Owner's title insurance policy. All accrued general real estate, personal property and ad valorem taxes for the current year applicable to the Property shall be prorated on an accrual basis, utilizing actual final tax bills, if available prior to Closing. If such bills are not available, then such taxes shall be prorated on the basis of the most currently available tax bills or assessed valuation (as Buyer may elect) for the Property and promptly re-prorated upon the issuance of final bills therefor, and any amounts due from any party to the other shall be paid in cash at that time. Prior to or at Closing, Seller shall pay or have paid all tax bills that are due and payable prior to or on the Closing Date and shall furnish evidence of such payment to Buyer and the Title Company. Each party's respective obligations to prorate real estate taxes shall survive the Closing and shall not merge into any instrument of conveyance delivered at Closing. Special assessment liens certified as of Closing shall be paid by the Seller. At Closing, Buyer shall deliver the funds required to close and Seller shall convey title to Buyer by a North Carolina Bar Form Special Warranty Deed.

6. Effects of Default If Buyer fails to perform any of the covenants of this Agreement, the Deposit and all Extension Payments(s) paid by or on behalf of Buyer shall be retained by or for the account of Seller as consideration for the execution of this Agreement, and in liquidation and full settlement of any claims for damages and as Seller's sole remedy, and the Seller and Buyer shall be relieved of all further obligations and liability hereunder. If Seller shall be in default under any of its covenants as contained in this Agreement, the aforesaid Deposit and all Extension Payments shall, at the option of Buyer, be returned to Buyer on demand, but Buyer shall not waive any remedies it has against Seller including, but not limited to, the right of specific performance. Provided, however, the damages which Buyer may recover as a result of default by Seller shall be limited to Five Hundred Thousand and No/100 Dollars ($500,000). .

7. **[INTENTIONALLY DELETED]**

8. Payment of Commission. The parties acknowledge that Buyer has not engaged a real estate agent and Seller has engaged Robert Percival, Sr. as its real estate agent. The Seller shall pay the real estate commission due Robert Percival, Sr. as set forth in the agreement between Seller and Robert Percival, Sr., and no other commission. In the event of any other claim for a Broker's or finder's fee or commission in connection herewith, the Buyer shall indemnify and defend Seller from the same if it shall be based upon any agreement alleged to have been made by Buyer, and Seller shall indemnify and defend Buyer from the same if it shall be based upon any agreement alleged to have been made by Seller. The foregoing indemnity shall cover the costs and expenses of the indemnity (including without limitation, reasonable attorney's fees) related to any actions, suits or judgments incident to any of the matters covered by such indemnity, including costs and attorney's fees incurred in appellate proceedings, and such indemnity shall survive the Closing.

9. Parties. The rights and obligations created by this Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, administrators, and assigns.

10. Time and Execution. Time is of the essence of this Agreement and of the covenants and provisions hereof.

11. Notices. Any notices required by this Agreement shall be in writing and shall be deemed to have been duly given (i) upon receipt, if delivered by hand; or (ii) three (3) days after posting, if placed in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed to Buyer and Seller at the following addresses; or (iii) upon the earlier of the business day following sending or actual delivery if sent by Federal Express, Airborne, UPS or other next day receipted courier, addressed to the Buyer and Seller at the following addresses:

Buyer: The Taubman Realty Group Limited Partnership
200 E. Long Lake Road
Bloomfield Hills, Michigan 48304
Attn: John Simon
Bruce W. Heckman

Copy to: Honigman Miller Schwartz and Cohen
2290 First National Building
Detroit, Michigan 48226
Attn: Richard J. Burstein, Esq.

and

Kennedy Covington Lobdell & Hickman, L.L.P.
NationsBank Corporate Center
100 N. Tryon Street, Suite 4200
Charlotte, North Carolina 28202-4006
Attn: Glen B. Hardymon, Esq.

Seller: City of Charlotte
600 East Fourth Street
Charlotte, North Carolina 28202
Attn: Kent G. Winslow, Manager,
Asset Management Division

Copy to: City of Charlotte
600 East Forth Street
Charlotte, North Carolina 28202
Attn: DeWitt F. McCarley, Esq.

and

Parker, Poe, Adams & Bernstein LLP
2500 Charlotte Plaza
Charlotte, NC 28244
Attn: Ashley L. Hogewood, Jr., Esq.

and a copy of any notices to either party from the other shall be sent to the Title Company:

Commonwealth Land Title Co. of North Carolina
Suite 2070, Charlotte Plaza
Charlotte, North Carolina 28244
Attn: L. Hunter Meacham, Jr., Esq.

Each party to this Agreement may change its address or add addresses for receiving notices, consents, or other communications (or for copies thereof) as such party may hereafter specify by notice to the other in accordance with the provisions of this Section 11.

12. Feasibility. Buyer covenants that it shall terminate this Agreement as soon as reasonably possible if Buyer determines during the Preliminary Due Diligence Period or any extension(s) thereof, as the case may be, that Buyer no longer intends to pursue the purchase of the Property or any part thereof. Upon such termination, Buyer agrees to deliver to Seller copies of any and all reports, tests, surveys, plans, specifications, and other information and work product provided to Buyer in connection with the Property. It is understood that this obligation of Buyer does not include delivery of leasing contacts or other marketing information developed by Buyer and proprietary plans respecting the proposed Regional Shopping Center as developed by Buyer.

13. Right of Entry. Seller hereby grants permission to Buyer and its agents, after reasonable notice, to enter upon the Property prior to Closing for the purpose of conducting engineering studies, including but not limited to soil tests, surveys and site planning work. Subject to prior written approval by Seller after request to Seller by Buyer , Seller hereby further grants to Buyer the right to erect Buyer's standard sign(s) which comply with local regulations advertising the future development of the Property by Buyer, which sign(s) may be placed in such location(s) as Buyer may elect, provided, such location does not interfere with Seller's current use of the Property. Buyer hereby agrees to indemnify and hold Seller harmless any and all claims or obligations of any kind that may be incurred as a result of negligence) of Buyer with respect to its use and/or investigation of the Property prior to Closing.

14. Seller's Warranties and Representations Seller hereby warrants and represents to Buyer as follows:

A. Seller has insurable fee simple title to the Property free and clear of all liens, encumbrances and other exceptions to title as reflected in the title commitment furnished by Seller to Buyer as provided in Paragraph 3 of this Agreement. It is understood and agreed by Seller and Buyer that the Property may be subject to any covenants, conditions and restrictions arising from the approvals required by Seller of Buyer's plans as contemplated by Section 2A.(h) above.

B. Subject to action by the governing body of Seller, which action Seller will use its best effort to obtain as soon as possible after the Effective Date, Seller has full right, title and authority to so execute this Agreement and to deliver any and all documents required to consummate the transactions contemplated herein and will deliver to Buyer a certified copy of the official records of Seller authorizing the execution of this Agreement and the sale contemplated hereby.

C. There are no condemnation or eminent domain proceedings pending or, to the best of Seller's knowledge, contemplated against the Property or any part thereof; and the Seller has not received any notice of the desire of any public authority or other entity to take or use the Property or any part thereof.

D. There are no pending suits or proceedings against or affecting the Seller or any part of the Property which (i) do or could affect title to the Property or any part thereof; or (ii) do or could prohibit or make unlawful the consummation of the transactions contemplated by this Agreement, or render Seller unable to consummate the same.

E. To the best knowledge of Seller, Seller has not utilized the Property, nor any part thereof, to treat, deposit, store, dispose of, or place any hazardous substances, as defined under any Environmental Laws. Environmental Laws shall mean (i) the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601 et seq.), as amended (CERCLA); (ii) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq., as amended; (iii) the Emergency Planning and Community Right to Know Act (42 U.S.C. Section 11001 et seq.), as amended; (iv) the Clean Air Act (42 U.S.C. Section 7401 et seq.), as amended; (v) The Clean Water Act (33 U.S.C. 1251 et seq.), as amended; (vi) the Toxic Substances Control Act (15 U.S.C. 12601 et. seq.),as amended; (vii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq..), as amended; (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. 136 et seq., as amended; (ix) the Safe Drinking Water Act (41 U.S.C. 1300f et. seq.), as amended, (x) any state, county, municipal or local statutes, laws or ordinances similar or analogous to the federal statutes listed in parts (i) - (ix) of this subparagraph E; (xi) any amendments to the statutes, laws or ordinances listed in parts (i) - (x) of this subparagraph E, regardless of whether in existence on the date hereof; (xii) any rules, regulations, guidelines, directives, orders or the like adopted pursuant to or implementing the statutes, laws, ordinances and amendments listed in parts (i) - (xi) of this Section 14E; and (xiii) any other law, statute, ordinance, amendment, rule, regulation, guideline, directive, order or the like in effect now or in the future relating to environmental health or safety matters; nor has authorized any other person or entity to treat, deposit, store, dispose of or place any hazardous substance, as defined above, on the Property, or any part thereof; and no other person or entity has treated, deposited, stored, disposed of, or placed any hazardous substance, as so defined, on the Property, or any part thereof. In the event a release or threatened release of a hazardous substance is discovered on the Property regardless of whether the Seller was in any way responsible for such release under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C.A. Section 9607 or any applicable Statutes or federal statutory or common law, Buyer shall have the right to terminate this Agreement and receive the return of its Deposit and all Extension Payment(s). As used herein.

"to the best of the knowledge of Seller" shall mean matters known to either Clark Readling, City Engineer or Kent Winslow, Manager, Asset Management Division, both being employees of Seller.

It is understood and agreed by Seller and Buyer that during the Preliminary Due Diligence Period and any extension(s) thereof, Buyer shall conduct such environmental and other investigations of the condition of the Property as it may choose to conduct. In the event such investigations shall discover any contamination or environmental conditions not acceptable to Buyer, in its sole discretion, Buyer must notify Seller, in writing of such contamination and environmental condition in specific detail, and such writing shall include the method proposed to remove such contamination and remediate such environmental condition along with the bid for the cost of such removal and remediation by a competent third party contractor unrelated to Buyer (the "Remediation Report and Bid"). Upon receipt of the Remediation Report and Bid, Seller shall have a period of Thirty (30) days to approve and agree to the Remediation Report and Bid or submit an alternative bid in a lesser amount from a third party contractor to Buyer, provided however, Buyer shall have the right of approval of such contractor submitting the alternative bid, which approval will not be unreasonably withheld or delayed. The amount of the bid shall be paid by Seller (as a deduction from the Purchase Price) at Closing to the Title Company to be held in escrow by said Title Company, provided however, in no event shall the Seller's obligation for payment under this provision exceed or be greater than the sum of Two Hundred Fifty Thousand Dollars ($250,000). Such escrowed funds shall be utilized to pay for the remediation work, and any unused funds shall be paid to Seller. In the event the total of the bid contemplated hereby shall exceed Two Hundred Fifty Thousand Dollars ($250,000), Buyer agrees to pay the amount of the bid in excess of Two Hundred Fifty Thousand Dollars ($250,000) to the Title Company at the Closing to be held in escrow by said Title Company. The Buyer and Seller agree that after such payment to the Title Company as provided hereinabove, Seller shall have no further obligation or liability for removal of contamination and remediation of environmental condition, and Buyer shall be responsible for removal of contamination and remediation of environmental condition. Except as otherwise specifically provided in the third sentence of Section 14E. respecting a release or threatened release of a hazardous substance, Buyer shall not have the right, after the Preliminary Due Diligence Period, to secure a refund of the Deposit and any Extension Payments made if Buyer, in its discretion, elects to terminate this Agreement on the basis of an unsatisfactory environmental condition of the Property.

F. Intentionally Deleted.

G. Between the date of this Agreement and the Closing, Seller shall not change the present zoning classification of the Property unless such change is requested by Buyer. Furthermore, Seller shall cooperate fully with Buyer by executing consents, applications and other such documents reasonably requested by Buyer in connection with its efforts in developing the Property to a condition such that building may commence.

H. Subject to the rights, if any, of the Coliseum, Auditorium, Civic Center Authority which shall be terminated prior to Closing, neither the Property nor any part thereof is subject to any leases, and there are no tenants in possession of the Property.

I. Intentionally Deleted.

At Closing, Seller shall, in writing, reaffirm to Buyer the truth and correctness, as of the Closing Date, of each of the warranties and representations contained herein. All representations and warranties made herein shall survive Closing for a period of one year from the date of Closing and shall not merge into any instrument of conveyance delivered at Closing.

15. Closing Date. This Agreement shall be closed on or, at Buyer's election, before thirty (30) days following the Preliminary Due Diligence Period or any extension(s) thereof, as the case may be (the "Closing Date") and shall be closed at the offices of the Title Company or at such other place as is mutually agreed upon by the Buyer and Seller. In the event that any or all of the conditions precedent contemplated by this Agreement have not been met on or before the Closing Date, or if any representation of Seller is untrue as of the Closing Date, then Buyer shall have the following options, to-wit:

A. Waive any and all of such conditions precedent set forth herein and proceed to close said transaction; or

B. Accept the Property or any part thereof on the Closing Date with the right to deduct from the Purchase Price those liens and encumbrances of an ascertainable amount; or

C. Extend the Closing Date for the period of time reasonably required to cure such unsatisfied condition; or

D. Terminate this Agreement, without waiving any of Buyer's legal remedies provided for in this Agreement arising from such situation, in which event the Deposit shall be promptly returned to Buyer and Seller shall further return all Extension Payments as made to Seller.

This Agreement shall be closed through an escrow with the Title Company, in accordance with the general provisions of the usual form of North Carolina Bar Form Special Warranty Deed and money escrow agreement then in use by the Title Company, with such special provisions inserted in the escrow agreement as may be required to conform with this Agreement. The City Clerk of the City of Charlotte, or such other department of the City as shall be responsible for investing the Deposit, shall deliver the undistributed balance of the Deposit (including any undistributed interest) to the Title Company five (5) days prior to the proposed Closing Date to be held in escrow by the Title Company for disbursement in accordance with the closing escrow agreement. The closing will be a so-called "New York Style Closing" ("Closing") with concurrent delivery of the documents of title, conveyancing documents, owner's title policy as required hereunder, and the payment of the Purchase Price. Seller shall provide any undertaking or indemnity required by the Title Company in connection with such New York Style Closing; provided, however, that this indemnity shall not cover encumbrances and title defects created by or through Buyer. Upon the creation of such an escrow, anything herein to the contrary notwithstanding, payment of the Purchase Price and delivery of deed shall be made through the escrow, and this Agreement and the Deposit shall be deposited in the escrow.

16. Exclusive Possession. Exclusive possession of the Property shall be delivered to Buyer at Closing.

17. Written Materials Relative to Property. Within ten (10) business days after the Effective Date, Seller shall furnish to Buyer all of the following written materials possessed by Seller, and shall assist Buyer if specifically requested to do so in obtaining any of the following materials which are in the possession of others, without additional cost or charge to the Buyer:

(a) Any letters, ordinances, resolutions or other materials in writing disclosing the current zoning classification of the Property and the uses permitted thereunder;

(b) Any letters or written material concerning the availability and capacity of the utilities which serve or will serve the Property;

(c) All reports or other statements in writing obtained by or available to Seller concerning the environmental and soil conditions of the Property as determined by environmental or engineering tests or otherwise;

(d) All surveys, including boundary, tree and topographical, of the Property;

(e) All marketing and engineering studies and reports relative to the Property;

(f) All permits, approvals and authorizations issued or granted by any governmental authority relative to the Property;

(g) Copies of all building plans and specifications including utility plans, layout and location respecting all improvements constructed on, in or under the Property to the extent that the same are reasonably available to Seller without undue cost and expense; and

(h) All other reports, studies, site plans, analyses and other written information and materials relative to the Property and the potential development thereof.

18. Eminent Domain. Seller agrees not to institute or acquiesce in any eminent domain proceedings with respect to the Property. In the event of the institution of any proceedings, judicial, administrative or otherwise, concerning a proposed taking of any portion of the Property being sold and purchased hereunder by eminent domain prior to Closing, Buyer shall have the right and option to terminate this Agreement by giving Seller written notice to such effect at any time after the receipt of a notification of such occurrences. Seller agrees to give Buyer written notice of any such condemnation proceedings. Should Buyer terminate this Agreement pursuant to the provisions of this paragraph, the Deposit shall be promptly returned to Buyer (and Seller shall refund to Buyer all Extension Payments). If Buyer does not terminate this Agreement, Buyer shall be entitled at Closing to all condemnation awards payable to Seller and other rights to deal with the condemnation process. Prior to Closing, Seller shall not agree to or accept any settlement or award in the condemnation proceeding without Buyer's written consent.

19. Closing Procedure. At the Closing the parties shall deliver the following:

A. By Seller:

(i) A duly executed North Carolina Bar Form Special Warranty Deed conveying fee simple title to the Property to Buyer or its designee, subject only to exceptions, covenants, conditions, and restrictions which may have been agreed to between Buyer and Seller prior to Closing, and subject to an option to purchase in favor of Seller as set forth hereinafter;

(ii) A duly executed no-lien affidavit in a form satisfactory to Buyer's attorney;

(iii) An affidavit warranting that Seller is a United States citizen and which complies with the Foreign Investment in Real Property Tax Act; and

(iv) Such other duly executed instruments and documents required by this Agreement and as may be reasonably required in order to consummate the transaction herein contemplated.

B. By Buyer:

(i) A cashier's or bank check payable to the order of Seller for the proceeds to close, or a wire transfer of such funds.

C. The parties jointly will execute and deliver a closing statement setting forth the adjustments and prorations provided for in this Agreement, and any transfer tax declarations.

20. Assignment. This Agreement may be assigned by Buyer to an affiliate of Buyer without the prior written consent of Seller. Assignment, other than the foregoing, shall require the prior written consent of Seller, which consent will not be unreasonably withheld or delayed.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated herein, and it supersedes all prior understandings or agreements between the parties.

22. Waiver; Modification. Failure by Buyer or Seller to insist upon or enforce any of their respective rights shall not constitute a waiver thereof. Either party hereto may waive the benefits contained in this Agreement. No oral modification shall be binding upon the parties, and any modifications shall be in writing and signed by the parties.

23. Construction. Each party hereto hereby acknowledges that all parties hereto participated equally in the drafting of this Agreement and that, accordingly, no court construing this Agreement shall construe it more stringently against one party than the other.

24. Governing Law This Agreement shall be governed by, and construed subject to the laws of the State of North Carolina.

25. Time of the Essence. Time is of the essence of this Agreement. If any date herein set forth for the performance of any obligations by Seller or Buyer or for the delivery of any instrument or notice as herein provided should be on a Saturday, Sunday or legal holiday, the compliance with such obligations or delivery shall be deemed acceptable on the next business day following Saturday, Sunday or legal holiday means any state or federal holiday for which financial institutions or post offices are generally closed in the State of North Carolina for observance thereof.

26. Section Headings. This section headings as herein used are for convenience or reference only and shall not be deemed to vary the content of this Agreement or the covenants, agreements, representations and warranties herein set forth or limit the provisions or scope of any section herein.

27. Cumulative Remedies. Except as otherwise provided herein, each and every one of the rights, benefits and remedies provided to Buyer by this Agreement, or any instrument or documents executed pursuant to this Agreement, are cumulative, and shall not be exclusive of any other of said rights, remedies and benefits allowed by law or equity to the Buyer.

28. Counterparts. To facilitate execution, this Agreement may be executed in as many counterparts as may be required; and it shall not be necessary that the signature of or on behalf of, each party, or that the signatures of all persons required to bind any party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, or that the signatures of the persons required to bind any party, appear on one or more of such counterparts. All counterparts shall collectively constitute a single document.

29. Effective Date of Agreement. This Agreement, upon execution by all parties hereto, shall be deemed effective on the date set forth on page 1 hereof (the "Effective Date").

30. Recording. Buyer and Seller each shall have the right, upon or subsequent to the execution of this Agreement, to record a memorandum of this Agreement. This cost of recording shall be borne by the party undertaking such action.

31. Option to Purchase. If, after the expiration of eighteen (18) months from the date of the Closing, Buyer shall not have begun in good faith the construction of the Regional Shopping Center, Buyer grants to Seller an option to purchase the Property, and Seller may, but, shall not be obligated to, purchase the Property from the Buyer and require the Buyer to reconvey such property to Seller or its designee, free and clear from all liens and encumbrances by the same form of conveyance of the same quality of title by the same survey as conveyed by Seller to Buyer at the Closing. If such option is exercised, Buyer shall pay to Seller a purchase price equal to One Hundred Percent (100%) of the purchase price paid by Buyer to Seller for the Property. The option herein granted by Buyer to Seller shall be exercised by giving written

notice to the Buyer at the address set forth above, and, the closing of the purchase under such option shall take place within sixty (60) days of the date of notice from Seller to Buyer.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, in multiple counterparts, as of the date set forth below.

SELLER:

ATTEST:

CITY OF CHARLOTTE, NORTH CAROLINA

Deputy Nancy S. Gilbert, MMC
City Clerk

By: Pamela A. Syfert
Its: City Manager

[SEAL]

Dated: February 24, 1998

BUYER:

THE TAUBMAN REALTY GROUP LIMITED PARTNERSHIP

By: _____
Authorized Signatory

Dated: February ___, 1998

EXHIBIT A

LEGAL DESCRIPTION

That certain tract or parcel of land located in the City of Charlotte, North Carolina, being generally described as a full city block bounded by East Fourth Street, South College Street, East Trade Street and adjoining the Charlotte Transportation Center and commonly referred to as the "old" Convention Center and consisting of approximately 3.25 acres of land and all improvements located thereo and being more particularly described as follows (subject to revision based upon a final survey of the property):

Lying and Being in the City of Charlotte; Mecklenburg County, North Carolina and more particularly described as follows:

BEGINNING at a point located in the southerly margin of the right-of-way of East Trade Street (being the point of Beginning in the description of Parcel I as described in Deed to The City of Charlotte recorded in Book 3312 at Page 276 in the Mecklenburg Public Registry) which point of BEGINNING is arrived at by beginning at a point formed by the intersection of the existing southerly margin of the right-of-way of East Trade Street and the existing westerly margin of the right-of-way of South Brevard Street and proceeding N. 42-52-36 189.10 feet along the existing southerly margin of the right-of-way of East Trade Street to a railroad spike; thence N. 43-09-24 W. along the existing southerly margin of the right-of-way of East Trade Street 198.49 feet to a point in the easterly boundary of a strip of land sometimes known as "A" street (not open); thence N. 39-16-36 W. along the existing southerly margin of the right-of-way of East Trade Street 22.00 feet to a point on the westerly boundary of said strip of land sometimes known as "A" street, the ACTUAL POINT OF BEGINNING; thence along the westerly boundary of said strip of land sometimes known as "A" street S. 50-55-24 W. 383.61 feet to a point in the existing northerly margin of the right-of-way of East Fourth Street; thence with the existing northerly margin of the right-of-way of East Fourth Street in five calls as follows: (1) N. 41-00-12 W. 24.27 feet to a point; (2) N. 48-59-48 E. 8.10 feet to a point; (3) N. 41-00-36 W. 153.03 feet to a point; (4) N. 40-42-30 W. 34.90 feet to a point; thence (5) N. 43-23-46 W. 182.96 feet to a point located on the existing easterly margin of the right-of-way of South College Street; thence along and with said easterly margin of the right-of-way of South College Street N. 50-55-12 E. 367.45 feet to a point located on the existing southerly margin of the right-of-way of East Trade Street; thence with said southerly margin of the right-of-way of East Trade Street in three calls as follows: (1) S. 43-22-06 E. 142.06 feet to a point; (2) S. 43-18-54 E. 155.28 feet to a point; thence (3) S. 42-58-42 E. 98.54 feet to the point or place of BEGINNING and containing 146,154 square feet and being all of Parcels I and II as described in that certain Deed from Redevelopment Commission of the City of Charlotte to The City of Charlotte dated June 23, 1971 and recorded in Book 3312 at Page 276 in the Mecklenburg Public Registry, which parcels are shown on plat prepared by Ralph Whitehead & Associates dated March 23, 1971 and designated as a plat of Parcels No. 1 and 2.

- Both proposals meet the criteria established in the Request for Proposal (RFP) and are equal in price, therefore the staff committee has based its recommendation on subjective aspects of the design. The Summit design is preferred for features such as:

  - open space/the public square
  - streetside parking on Cedar and Fourth
  - better pedestrian accessibility to the existing streets
  - concealed parking

- In reviewing the two proposals, the staff committee identified qualities that are desired in future upset bid proposals. They are:

  - open spaces
  - good traffic circulation
  - concealed parking distributed around the site
  - streetside parking along Cedar and 4th streets
  - high pedestrian accessibility to and from the site
  - floor elevations for lower units being close to sidewalk elevations
  - traditional exterior wall materials
  - a mixture of units for sale and rent

Background:

- On July 27, 1998, Council approved the criteria and process for the sale of the City's 3.95 acre tract of surplus property at Cedar and Fourth Streets:

  Criteria:

  1. Highest price resulting from upset bids.

  2. Compliance with the Third Ward Concept Plan.

  3. Relocation of utility lines along Fourth Street to the back of the project at developer's expense.

Process:

1. Advertise and distribute a RFP outlining the City's intent to sell the land to a company that will develop the property in conformance with the Third Ward Concept Plan.

2. City Council selects the offer that best meets the established criteria outlined above.

3. Advertise for upset bids that also meet the established criteria above. This process will continue until no other upset bids are received.

4. City Council approves the highest, qualifying bid, including approval of a sales contract that obligates the developer to the terms of their proposal.

15. Manager's Report on Retail Consultant

This item will be included in the Friday, February 19 Council-Manager memo.

16. Appointments to Boards and Commissions

Action: **Vote on blue paper ballots and give to City Clerk at dinner.**

A. **HOUSING STRATEGY STAKEHOLDERS COMMITTEE**

One position beginning immediately. The charge of this committee is expected to be completed six months after beginning.

Those agencies and organizations making the other appointments are shown on the attachment. As of the printing of this agenda, Planning does not have the names of their appointees.

Request for Council Action

15. Retail Consultant

Action: **Receive report and recommendation from the City Manager on retail consultant.**

Staff Resource: Tom Flynn

Focus Area: Economic Development

Explanation: At the February 8 City Council Meeting, the City Council raised several questions about a contract with Hunter Interests. The City Council directed the City Manager to bring back a report for a decision.

Hunter Interests is an Annapolis, Maryland based consulting firm with specific expertise in urban economics, finance and real estate development.

Attached is the February 11, 1999 memo from the City Manager to the Mayor and City Council that addresses the scope of the Hunter Interests contract and the reasons staff entered into this contract.

The City Manager has met with Don Hunter, the principal of Hunter Interests, to discuss the issues raised by City Council. One of these concerns involved a Business Journal article quoting Jeff Graham of Hunter Interests' New York office regarding retail development issues in Charlotte. Attached is a follow-up letter from Don Hunter explaining and apologizing for the quotes attributed to Mr. Graham.

Recommendation: City Manager recommends continuing with Hunter Interests, contingent upon the removal of Jeff Graham, from the project. This recommendation is based on:

1. The City's need for professional advice on the Uptown retail market and how the old Convention Center could be redeveloped to maximize its value for the community.

2. The City needs professional advice to determine the impact of the Southpark Mall rezoning decision on the possible retail redevelopment of the old Convention Center and to provide expertise regarding the development details.

3. If the Taubman contract is continued, the City needs professional advice to answer questions about any potential requests for City participation in parking, streetscape or other infrastructure for the old Convention Center project.

4. Hunter Interests is exceptionally well qualified to provide this advice. See attached reference information on Hunter Interests.

Funding: If this contract is terminated, the City will owe Hunter Interests approximately $20,000 of the $58,000 contract. This contract is funded by the $100,000 appropriated by City Council for Economic Development activities.

Attachment _

1. February 11, 1999 memo from Pamela Syfert
2. February 16, 1999 letter from Don Hunter
3. Hunter Interests References

CITY OF CHARLOTTE
CITY MANAGER'S OFFICE

MEMORANDUM

February 11, 1999

TO: Mayor and City Council

FROM: Pamela A. Syfert, City Manager

SUBJECT: Hunter Interests Incorporated Contract

Attached is a copy of the contract with Hunter Interests Incorporated (HII), the firm hired to assist us with development and retail issues for reuse of the old convention center. This memo addresses the reasons and purpose for this contract. As you requested, this will be a business item on your February 22nd agenda and I will be prepared to address any other questions at that time.

There appear to be two categories of questions raised by Council on Monday: 1)What was the necessity for engaging such a consultant? and; 2) What is the potential bias of the consultant based on the quotations in a Business Journal article and credibility of their advice? I met with Don Hunter, who is the principle of this firm, last night on the second point. One of his associates was quoted in the article. Mr. Hunter made two points:

- If the quotes were accurate, they were inappropriate and do not represent his firm's way of doing business;
- His firm will refer all future media questions to my office.

I will have a letter from him on this incident by February 22nd.

Why did we engage a consultant to advise on retail issues? One purpose of the due diligence period for Taubman is to recruit department stores. Their proposed development is a destination retail shopping center anchored by major department stores. Once the Nordstrom letter of intent was announced, and a potential SouthPark rezoning application became a possibility, it became clear to us that the future of the old convention center might be back on our agenda. This possibility raised a number of questions about the development of the old convention center, similar to questions about retail when the ORIX/TMK and Taubman companies were bidding against each other.

- How does destination retail and office retail fit the retail market for uptown?
- Which projects best meet Charlotte's long term economic development goals?
- What is the probability of success in Charlotte's uptown?
- What is the likelihood of a retail developer needing assistance with infrastructure, parking, etc.

At the time you debated the ORIX/TMK and Taubman proposals, the retail issues were secondary because we had to either sell for the best price, or reject all offers. I hope that IF we market the facility again, we can do it with an RFP for a specific development purpose meeting the needs of the center city.

There are three issues we asked HII to explore. Please note we have not asked for any recommendations on the rezoning of SouthPark as The Business Journal article stated.

Issue #1: Define an uptown retail concept that fits Charlotte's retail market under two scenarios: 1) within the framework of the Taubman project; and 2) destination retail established at SouthPark if Taubman decides not to pursue their project.

This is pro-active asset management. I've heard comments that I should not have engaged a consultant but should wait and see what decision Taubman makes. I don't agree with that. My responsibility as City Manager is to provide you with timely information to make policy decisions. We do not have the expertise in-house to answer many of the questions that have been raised about the re-development of the old convention center either by Taubman or another company.

Hunter Contract - *"Based on the results of the two tasks above, HII will recommend an appropriate retail development concept for the downtown retail project on the old convention center property."*

Issue #2: Determine if the Taubman project, as conceived, would be feasible if the SouthPark Mall is rezoned.

Both Trammell Crow and Taubman have asserted that the Charlotte market cannot support two destination retail projects. In short, they argue that rezoning SouthPark for destination retail

eliminates the possibility of the Taubman project in uptown and vice versa. If destination retail is not a feasible project for the uptown, what type of development could the City seek for that site that could serve as the catalyst for other development. Could a different retail project be developed by Taubman if destination retail does not work?

Hunter Contract - *"The purpose is to analyze regional market potentials with a focus on competitive projects and future retail developments that could compete with the downtown retail project envisioned by the Taubman Company."*

Issue #3: Define the need for, and extent of, City participation in the proposed Taubman Company development.

Taubman clearly told the City they would not ask for incentives for their project. The issue about infrastructure assistance was not as definitive. Circumstances can change a project's original estimates and we did not want to be surprised if they came back to us for help with infrastructure, parking etc. We asked the retail expert to develop a financial pro-forma of the Taubman project. This is similar to the financial pro-forma our hotel consultant developed for the hotel when we needed to know if City participation was required. As the project develops, I want Council to have an independent assessment if questions arise about City participation in parking, street scape, etc.

Hunter Contract - *"The analysis model will be structured as a residual land value analysis, inputting a reasonable developer's fee and/or profit factor, and solving for the project's ability to support debt and equity financing, and to pay for its site. Any financial gaps or capital deficiencies will be noted and described, along with prospects for reducing them, eliminating them, or funding them."*

The HII contract is for an amount "not to exceed $58,000." I believe this is an appropriate amount to spend evaluating possible retail scenarios given that the old convention center has a value of $12,500,000 for retail use. City Council may face some difficult policy choices on the future of the old convention center and we want you to be as prepared as possible.

We will address this issue further at the City Council meeting on February 22nd.

attachment

HUNTER INTERESTS
INCORPORATED

December 7, 1998

Mr. Thomas Flynn
City of Charlotte
City Manager's Office
600 East Fourth Street
Charlotte, NC 28202

Dear Mr. Flynn:

This Letter of Agreement is for the services of Hunter Interests Inc. (HII) to assist the City of Charlotte (the City) with planning for reuse of the old convention center property plus certain adjacent properties, within the context of a downtown retail/entertainment strategy. This agreement follows our proposal of October 20, 1998 which was modified in accordance with our recent discussions.

We understand that the City desires assistance in addressing the following issues:

- Defining the need for, and extent of City participation in the proposed Taubman Company development.

- Determining if the Taubman project, as conceived, would be feasible if the SouthPark Mall is rezoned for "destination retail."

- Defining a downtown retail concept that fits Charlotte's retail market under two scenarios: 1) within the framework of the Taubman project; and 2) destination retail established at SouthPark and Taubman decides not to pursue their project.

To accomplish these objectives, the technical aspects of our work fall into two categories—**retail market analysis** (to assist the City in determining the proper retail concept and retail/entertainment mix in light of other regional retail trends) and **financial analysis** (to determine the financial feasibility of the Taubman Development proposal and their realistic needs for financial assistance from the City). This work would be accomplished in close cooperation with City staff and representatives of the downtown organization.

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Scope of Services

Task 1: Initial Research — Senior HII staff members will spend several days in Charlotte collecting data and conducting interviews as part of our initial work process. In addition to analyzing the convention center site in detail, and adjacent railroad property and other adjacent properties that may be added to the project site, we will review market conditions and current development potentials for the site from the standpoint of property values, achievable rent levels, services and amenities necessary to compete effectively in the marketplace, and the general characteristics of the development necessary to achieve successful market performance. Meetings will be held with Taubman representatives to determine the likely retail mix in the project which they propose, and its relationship to other current and possible future regional and downtown retailing trends.

Task 2: Regional Retail Market Scan — HII will conduct a regional retail market scan similar to the type which we conduct for private investment/ development groups. The purpose is to analyze regional market potentials with a focus on competitive projects and future retail developments that could compete with the downtown retail project envisioned by the Taubman Company. Specifically, we will look at the relationship of the Taubman development to other downtown retailing such as the Founder's Hall, Overstreet Mall, and the Tryon Street development corridor. Other prospective developments such as the SouthPark Mall, and other destination retail projects will be evaluated. Particular attention will be devoted to prospects for entertainment retailing of a destination nature in the downtown Taubman project. Market niches will be identified, as well as prospects for including specific brands and store types in the downtown project. We will also consider inclusion of a high quality hotel product as part of the development.

Task 3: Recommend Retail Concept and Mix — Based on the results of the two tasks above, HII will recommend an appropriate retail development concept for the downtown retail project on the old convention center property. Specific future development objectives of the City, the downtown organization, key downtown interests, and others will be incorporated into the

concept and recommended retail mix to the greatest extent possible. Observations will be made on compatibility and contrasts to the retail concept and mix evolving from the Taubman effort.

Task 4: Initial Financial Analysis — Using knowledge gained on site and from the developers and the City regarding the project, a financial analysis model will be prepared and tested. The model will include preliminary capital cost estimates derived from the developer, square footage estimates for each use anticipated in the project, consideration of any development phasing likely to occur, estimates of public investments and infrastructure improvements that are already agreed to and are considered a "given" for the project, square foot yields and rent levels likely to be achieved along with rent up and stabilization estimates, operating cost estimates and other similar input factors. The analysis model will be structured as a residual land value analysis, inputting a reasonable developer's fee and/or profit factor, and solving for the project's ability to support debt and equity financing, and to pay for its site. Any financial gaps or capital deficiencies will be noted and described, along with prospects for reducing them, eliminating them, or funding them.

Task 5: Sensitivity Analyses — After running the basic financial model, between two and four sensitivity analysis runs will be accomplished using variable input data. The purpose of these sensitivity analyses is to test different assumptions regarding costs and yields. A set of analysis tables will be prepared for each sensitivity run in a format similar to the initial run of the basis financial model.

Task 6: Report — All work described above will be included in a technical report with narrative describing assumptions, input data, and results. Appropriate next steps in the analysis process and the overall development process will be recommended.

Task 7: Meetings and Administration — Mr. Hunter will be present for at least two key meetings in Charlotte during the course of the above work. It is anticipated that he will initially participate in key meetings and interviews during the technical analysis process described in Tasks 2 and 4 above, and a

final meeting to review and discuss our findings, conclusions, and recommendations. One other HII principal will be involved in the day-to-day conduct of the work described above, and will be available for periodic progress reports.

All work described above can be accomplished in 8 to 12 calendar weeks assuming no unusual delays in securing necessary information and scheduling key meetings and interviews. We are prepared to begin work immediately upon execution of this agreement.

As in all of our work, the City will only be charged for actual professional, technical, and administrative time necessary to accomplish the above work program. Bills for actual time at the firm's normal billing rates will be rendered at least monthly, with payment expected within 30 days to avoid interest and collection charges. Our invoices will include compensation for direct expenses at cost, without a markup, for travel, subsistence, telephone, facsimile, reproduction, reports, and miscellaneous direct expenses.

We have estimated a range of costs for each task assuming a certain staffing mix and work process, as well as estimates of the likely range of direct expenses.

Tasks	Estimated Cost Range
Task 1: Initial Research	$ 5,000 – $ 7,000
Task 2: Regional Retail Market Scan	$ 9,000 – $14,000
Task 3: Recommend Retail Concept and Mix	$ 4,000 – $ 6,000
Task 4: Initial Financial Analysis	$12,000 – $16,000
Task 5: Sensitivity Analysis	$ 2,000 – $ 4,000
Task 6: Report	$ 5,000 – $ 7,000
Task 7: Meetings and Administration	$ 6,000 – $ 8,000
Subtotal	$43,000 – $62,000
Direct Expenses	$ 5,000 – $ 7,000
	$48,000 – $69,000

Approximate Midpoint: $58,000

Using the approximate midpoint of the range for each task and direct expenses, this agreement contains an upset or "not to exceed" budget of $58,000. It is expressly understood that the City's maximum financial exposure under this agreement is $58,000. Additional requested work beyond the scope of services in this agreement will be billed at the firm's normal billing rates, which range from $55 to $210 per hour. Mr. Hunter's current billing rate is $210 and Mr. Graham's is $145.

All work will be conducted in accordance with the laws and administrative procedures of the City of Charlotte and the State of North Carolina. HII is an Equal Opportunity Employer with an adopted Affirmative Action program, and hereby agrees to not discriminate in any way during the conduct of this work. The firm maintains normal liability and workers compensation insurance for firm's of our type, and hereby agrees to hold harmless from any liability associated with this work the City of Charlotte, its employees, and elected officials. All work accomplished during this assignment will become the property of the City of Charlotte, and will be held in confidence without release except with prior City authorization.

If this meets with your approval, please execute both copies and return one to us for our files. Based on the timing which you expressed in our recent conversation, we strongly urge that this work be initiated by the end of the second week in December in order to schedule our first work trip to Charlotte prior to the Christmas holidays.

Sincerely,

HUNTER INTERESTS INC.

Donald E. Hunter
President

This instrument has been preaudited in the manner required by the "Local Government Budget And Fiscal Control Act."

Deputy Finance Officer

ACCEPTANCE

Name: [illegible]

Title: _____ Date: 12/22/98

Deputy City Manager

HUNTER INTERESTS
INCORPORATED

February 16, 1999

FEB 17 1999

Ms. Pam Syfert
City Manager
City of Charlotte
600 East Fourth Street
Charlotte, NC 28202

Dear Ms. Syfert:

This letter is in response to the article in the *Charlotte Business Journal* entitled "Retail Study to Consider Subsidies," written by J. Lee Howard. I understand from our conversation that this article has created some confusion and concern with regard to our work for the City.

First, the title of the article is misleading. Our assignment is **not** to consider subsidies of any type for the Taubman uptown retail project. As you are well aware, we were retained to evaluate the Taubman proposal to determine its feasibility, and to determine whether or not it has any financing gaps which could conceivably be the subject of subsidy requests by Taubman, even though they previously indicated no need for such subsidies. Furthermore, we are to determine whether or not the Taubman proposal is affected by any future rezoning at SouthPark Mall, and to define an appropriate retail concept for uptown Charlotte. All of this work is to be based on a current retail market analysis, which the City clearly needs.

Secondly, I understand there is concern that we may somehow be biased toward the uptown area. I can assure you we are not. Our job is to conduct an objective market analysis, and render objective advice to the City. We regularly work for clients with projects in suburban areas as well as in downtown areas. While our assignment is indirectly to assist the City in realizing a feasible and successful uptown retail development on the former convention center site, I want to assure you that we have no biases or preconceived notions regarding uptown versus suburban areas. Mr. Graham's comment in the article was meant to indicate the SouthPark Mall, which is already successful, is likely to continue its success regardless of what happens with a new retail project in the uptown area, and I concur with his view on this. It was not meant to indicate that he or our firm have any biases whatsoever.

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Finally, I would like to apologize for any other statements attributed to Mr. Graham in the article. You should know that he felt that he was misquoted at one point, and another comment was taken out of context. Nevertheless, it is inappropriate of us to comment on any forthcoming actions of the Charlotte City government, and we did not mean to do so. We will continue to advise the City on retail matters as instructed, to assist in the realization of strong and successful retail developments throughout the City.

Sincerely,

HUNTER INTERESTS INC

Donald E. Hunter
President

Retail Market Analysis

During the past two decades Mr. Hunter's firms have undertaken approximately 45 retail market analysis assignments in various American cities. We have recommended retail development strategies or prepared downtown development plans in 36 cities, and Mr. Hunter has functioned as developer or development consultant on 120 specific development projects during his 30-year career. Our practice is national in scope, and we stay abreast of other downtown development activities through a network of contacts and participation in professional organizations. Hunter Interests Inc. is considered to be an innovative professional firm on the leading edge of new planning and development techniques and expert in all facets of downtown growth and change. The projects below describe recent retail planning and analysis assignments, and earlier projects of national significance.

- **Arlington Retail Revitalization Strategy** — HII was recently selected with three subcontractors to prepare a retail economic analysis and revitalization strategy for the Columbia Pike corridor. A detailed retail market analysis prepared by the firm was recently presented to a day-long workshop meeting of stakeholders, with a favorable reaction. Our design subcontractor is preparing physical revitalization plans which show prototype treatment that can be duplicated in other sagging retail districts in the corridor.

- **Downtown Annapolis Retail Analysis** — Hunter Interests recently conducted an economic analysis of three retail areas in historic downtown Annapolis, Maryland. This effort was part of an award winning downtown planning process which is now being implemented. The firm provided guidance to the City and to property owners and merchants in enhancing the retail strength of downtown while maintaining the scale and character of the old city. Each of the three retail areas have distinctive characteristics, and changes in retailing and escalating rent levels are forcing changes in property ownership and merchant business that are controversial in the community. Retail space in the three retail areas was analyzed by economic factors such as market orientation (tourist, office worker, resident), demand for major types of retail uses, customer base, seasonality characteristics, space potentials for accommodating growth and expansion, analysis of competitive retail areas, and general trends in lease rates and sales figures by location and quality of space. Major study findings and recommendations were adopted by this City.

- **Annandale Retail Revitalization Program** — In Fairfax County, Virginia, the firm was retained to assess the economic feasibility of a retail revitalization strategy using a town center concept in the Annandale commercial district. A 100% survey of retailers in the area was first conducted. Next, alternative physical plans were tested in three sequential meetings with community organizations and stakeholders. Finally, physical plan recommendations and design guidelines were delivered along with a detailed strategic report prepared by HII and five subcontractors. The Fairfax County Board of Supervisors recently adopted all recommendations.

- **Brunswick Town Center Development** — In Brunswick, Ohio, a distant suburb of Cleveland, a multi-disciplinary team headed by HII was recently retained to plan a town center anchored by upscale retail. We first conducted a detailed market analysis and town meeting to understand the issues of residents and stakeholders. Using Sasaki Associates as a design subcontractor, physical development plans for the town center are now being prepared in a manner similar to Sasaki's work on the Reston Town Center.

- **Clearwater Fashion Center — Downtown Clearwater, Florida** — HII was development consultant to the City of Clearwater for a two-phased mixed use development in downtown Clearwater which recommends a 350,000-square foot Fashion Mall with a new "Main Street" theme as the anchor for a project that includes a new 18-story City Hall, two private office towers, a hotel/convention center complex and additional future office/retail buildings organized around a man-made lake in a park-like environment. Mr. Hunter's firm used two design subcontractors to plan this innovative development project which was adopted by the City and its redevelopment agency. The firm conducted market analysis, financial feasibility analysis and fiscal impact analysis for the project, as well as providing overall project management. In a recently completed assignment for a new administration, HII updated market analysis and provided economic advice to a new downtown planning process.

- **Seattle Ferry Terminal Retail Complex** — HII has functioned for the past two years as the economists on a multi-disciplinary team planning an entirely new eight-boat ferry terminal on the Seattle waterfront. The project is to include a 250,000 square foot retail complex and a destination entertainment center oriented toward tourists and the local market. Our responsibilities included market analysis which dimensioned and focused the retail component, financial analysis from the developer's standpoint showing profit potentials of the retail component, and a public/private financing strategy for the entire development involving four units of state and local government.

- **Dayton Downtown Market Analysis** — Mr. Hunter led a team of professionals who conducted detailed retail market analysis work on two occasions in downtown Dayton, Ohio. Hunter Interests recently updated the downtown retail study for the city. The firm has also conducted low-cost housing studies and prepared an overall downtown plan in Dayton. Mr. Hunter personally negotiated development commitments for the first new high-rise office complex in downtown Dayton in over 10 years as part of the firm's continuing consultation in this city.

- **Bailey's Crossroads Retail Revitalization Strategy** — A retail revitalization strategy recommended by HII for the Bailey's Crossroads area of Fairfax County, Virginia, was recently adopted by the governing body. The strategy includes three independent retail development projects which take advantage of market potentials yet overcome access and image difficulties associated with the area. One project involves expansion and repositioning of an older strip center; another involves a completely new retail development with a pedestrian orientation toward an adjacent high density residential community.

- **Hartford Downtown Retail Market Place** — The City of Hartford wanted a retail component included in a three building office complex proposed for downtown Hartford. Mr. Hunter's firm proved market feasibility analysis and negotiated a development agreement with the developer to include a specialty retail complex adjacent to the old State House Building in downtown Hartford. Without the firm's involvement, a sterile office project would have been constructed because the developer felt there was no market potential for retail activity at ground level entrances. The completed project has received several awards and contributes to vibrant street life in downtown Hartford.

- **Green Bay, Wisconsin, Retail Stabilization Plan** — As part of a larger downtown planning process directed by HII, a retail stabilization plan to focus market support for an existing regional mall in downtown Green Bay was proposed. We first conducted a regional retail market analysis to understand the mall's strengths and weaknesses as retail transitions occur in the region. The stabilization is assisted by creation of a multiple venue entertainment district adjacent to the mall and three waterfront residential developments, two of which are now being implemented.

- **Harborplace: Baltimore, Maryland** — Mr. Hunter's firm conducted initial market feasibility analysis for the Charles Center Inner Harbor Management Corporation and the Rouse Company for the extremely successful

Harborplace project on the Inner Harbor waterfront in downtown Baltimore. The second of the festival marketplace projects, Harborplace has achieved the best financial success and development impact of any of these unique retail projects.

- **Allentown, Pennsylvania, Retail Revitalization Strategy**— As part of a larger downtown planning process, HII recommended a specific retail strategy on a property-by-property basis for the 800 block of the main street. Streetscape improvements recommended in the plan have since been constructed on this block; eight properties targeted for public acquisition by HII have been acquired; negotiations are underway with an anchor retail user for a key property. HII's work has continued through a second contract to assist the city and the Economic Development Corporation implement our recommendations.

- **Waterside Festival Marketplace: Norfolk, Virginia** — Mr. Hunter's firm also conducted market and financial feasibility analysis for the smaller Waterside Festival Marketplace on the downtown Norfolk waterfront. This project is considered to be the most successful of the smaller festive retail centers and was recently expanded. The firm also conducted feasibility analysis for the adjacent World Trade Center and its recent expansion, and has prepared downtown plans for the City of Norfolk and the Greater Norfolk Corporation during the past 15 years.

- **Mall of the Americas: Minneapolis** — Mr. Hunter's firm prepared initial feasibility analysis for the Mall of the Americas which was constructed on the former stadium site near the Minneapolis Airport. The firm recommended a developer solicitation strategy which resulted in selection of a joint venture of Mel Simon Associates with the Triple Five Corporation from Canada (owners of the world's largest mall, in Edmonton). The Mall is financially successful and has become an economic generator for the Twin Cities the as the single largest tourist attraction, bringing in visitors from throughout the Midwest, Canada, and abroad.

- **Schuylkill River Park/University of Pennsylvania Retail Support Program** — HII and the Atlantic Group were retained by the Schuylkill River Development Council to prepare a business plan for maintenance of the Schuylkill River Park, including restaurants, retail, entertainment, and recreation concessions. The overall project includes strategic assistance to the University of Pennsylvania for improved linkages across the Schuylkill River and retail revitalization at gateways to the campus.

- **Denver Priorities Panel** — Mr. Hunter was asked to participate on a panel of national retail specialists selected by The Denver Partnership, Inc. to identify the direction of downtown Denver retail development programs for the next 20 years. The panel, termed the Denver Priorities Panel, participated in a three-day charrette that included the review of many technical studies on downtown market and development issues. By means of the concentrated three-day participation process, the panel of experts and local participants came to agreement on an overall retail development plan for downtown Denver. This plan included key development strategies as well as a series of projects, in priority order, to implement the strategies.

- **Richmond Downtown Retail Study** — Mr. Hunter's firm prepared a comprehensive retail market analysis for downtown Richmond, Virginia, and co-authored the Richmond Downtown Development Plan. Mr. Hunter then played a key role in the conception and development of Project One, a major mixed use development with a festival marketplace (constructed by Jim Rouse's Enterprise Development Company), a 450-room Marriott hotel, the city's new convention center, a high-rise office building, renovation of an historic armory building, and several additional uses. The project was constructed in phases over an eight-year period. HII was responsible for initial market studies, preparation of financial plans, negotiating development agreements, and advising the city throughout the pre-development and construction phases.

- **Winston-Salem Downtown Retail Revitalization** — HII directed a group of five firms that prepared a downtown development plan for Winston-Salem, including retail and entertainment developments. A restaurant row was recommended adjacent to an anchor office development with a grade level retail component, and other retail entertainment infill recommendations were made at strategic locations throughout downtown Winston-Salem. A detailed retail market analysis preceded these recommendations in the early stages of our work.

- **AMTRAK 30th Street Station: Retail Redevelopment and Air Rights Feasibility—Philadelphia** — Mr. Hunter was project manager for his firm's work for AMTRAK 30th Street Station retail revitalization and long-term air rights feasibility over the tracks leading into the Station. New retail and passenger support facilities were planned and retrofitted into the historic terminal building. Market analysis for retail use and long term air rights development over the tracks was conducted along with conceptual design plans and a financial feasibility analysis. AMTRAK adopted the recommended program. The retail component was completed in 1996 and

has exceeded our sales projections. Mr. Hunter advised AMTRAK on developer solicitation procedures which resulted in the selection of Gerald D. Hines Interests of Houston as air rights developer.

- **NJ TRANSIT Terminal: Retail Revitalization and Long-term Air Rights Development Strategy—Hoboken/Jersey City** — HII was selected over 22 other competing consultant teams to manage a feasibility analysis and three-phase development program at one of the world's busiest multi-modal transportation terminals. With five subcontractors including four MBE/WBE firms, HII conducted thorough market analysis and financial feasibility analysis for terminal retail revitalization and a 20-year air rights development program. Retail market analysis work led to a short-term leasing strategy, including a two-day charrette to devise a repositioning of existing terminal retailing in the local market.

- **Dallas Downtown Retail Plan** — Mr. Hunter and two other national experts on downtown development were invited to review three competing developers' plans for a major retail project in downtown Dallas. The development in all three cases included large mixed use retail development on three separate downtown sites. Mr. Hunter's recommendation was followed by the city.

- **Albuquerque Downtown Market Analysis and Development Policy** — Mr. Hunter led a professional team which conducted retail market studies and an office market reconnaissance in downtown Albuquerque, New Mexico. With the aim of preparing development policy to guide city actions downtown, Mr. Hunter's team participated in a number of meetings with community leaders and with the City Council to identify special policies that would fit the community's priority needs. A 10-point policy plan for downtown Albuquerque was recommended by Mr. Hunter's firm and adopted by the City Council and subsequently implemented. The city has come back to Mr. Hunter's firm on several occasions for additional work, including a recently completed economic assessment of six competing sites for a $65 million Performing Arts Center.

- **Schenectady Downtown Plan** — HII is preparing to begin a downtown planning process in Schenectady, New York, with four subcontractors including Sasaki Associates and The Atlantic Group. Retail revitalization will be a theme of this process. The work program includes a retail market assessment, interviews with key retail building owners, four public forums with stakeholders, and a series of retail revitalization recommendations.

- **Ocean Center: Mixed-Use Development** — HII conceived of a large, mixed use waterfront development in West Ocean City, Maryland, involving a range of residential units, a 400-room resort hotel, office space, retail space, a marine industrial center, support parking, and a 735-slip marina. The firm negotiated land acquisition arrangements; made preliminary arrangements for utility service, prepared a complete market and financial analysis, conducted conceptual design studies for individual buildings after preparing an overall master plan, and functioned as the developer's representative through land acquisition and project financing negotiations.

- **ARA Tower: Downtown Philadelphia** — Mr. Hunter's development company constructed the 32-story ARA Tower in downtown Philadelphia during the early 1980s. This mixed use joint development project includes a subterranean retail component serving riders of the cross-town rail terminal and adjacent subway station. The retail portions of the project are functionally integrated with the adjacent Gallery development on three levels undertaken by the Rouse Company during the late 1970s. Mr. Hunter personally conducted retail feasibility analysis, management and leasing plans for this extremely successful award-winning project.

- **Other Retail Market Studies** — During the 11 years that Mr. Hunter was co-owner of ZHA, Inc., the firm conducted numerous retail market studies and packaged many innovative development projects with retail components, including Greenville Commons, Palmetto Center, Star Center, Project One, the Virginia Center for the Performing Arts, The Kentucky Center for the Arts, the Southern Bell regional headquarters, the Tennessee Valley Authority office complex, River Village, 22 major hotel developments, numerous mixed use complexes and residential projects. Seventeen of the firms projects were considered truly innovative and state of the art, and were used as examples of "how to do urban mixed use developments" in the Urban Land Institute's *Downtown Development Handbook* published in 1980. Mr. Hunter and his colleagues at Hunter Interests Inc. have stayed on the leading edge of retail analysis and new development techniques since these earlier experiences.

HUNTER INTERESTS
INCORPORATED

Donald E. Hunter
President
Hunter Interests Inc.
Annapolis, Maryland

Mr. Hunter is an urban economist and real estate developer who has packaged, financed, and constructed numerous successful development projects during his 30-year career. His development projects, managed personally or by his development companies, total more than $760 million in value. Consulting assignments in which he or his firm caused development to occur total more than $3.4 billion in value.

Mr. Hunter is President of Hunter Interests Inc., an award winning real estate investment, development, and consulting firm which specializes in large scale, mixed use developments and public/private ventures in urban areas. He was formerly co-owner of Zuchelli, Hunter & Associates, Inc., a consulting firm which he founded to provide market analysis and financial feasibility services to development clients. Mr. Hunter retired from ZHA in 1986 to form Hunter Interests Inc. in order to provide more personalized consulting services to his clients, with more of his own involvement in each assignment.

During his professional career, Mr. Hunter has supervised, managed or conducted more than 830 independent consultant assignments in communities throughout the United States and abroad. These include feasibility studies for virtually every type of small and large real estate development (office buildings, shopping centers, high rise and suburban residential developments, entertainment centers, hotels, convention and conference centers, sports facilities, and mixed use projects of many types). He has specialized in market and financial feasibility assessments of waterfront sites, with particular attention devoted to large scale commercial and industrial projects. His firm has recently conducted over 50 gaming studies in 22 states as casino gaming has expanded throughout the country.

Mr. Hunter's professional services regularly go beyond traditional feasibility studies into structuring public/private ventures to implement his projects. His firm solicits developers and negotiates binding development agreements, procures financing and management services, and functions as "owner's representative" for public entities through the construction and early management processes.

Mr. Hunter is also a successful real estate developer and investor. He was co-founder and co-owner of a development company which successfully grew to be the 23rd largest developer in the United States in only five years. He was also co-founder and co-owner of a real estate finance and portfolio management company

which handled his own personal investment portfolio and that of other substantial investors. He has created significant value on numerous large real estate holdings for his partners and clients through sound asset management and proven predevelopment techniques.

Prior to forming his first company, Mr. Hunter managed several large commercial, residential, and industrial development projects as an executive with the Westinghouse Electric Corporation and its development subsidiaries. These responsibilities included projects in the eastern United States and in Asia. He was a senior associate with two other consulting firms in the Baltimore/Washington area prior to joining Westinghouse.

Mr. Hunter has also been active for two decades in several national professional organizations. He is on the Board of Directors of the International Downtown Association (IDA) and the National Council for Urban Economic Development (CUED). He speaks several times each year on real estate trends and leading edge development and finance techniques. He also served as chairman of a CUED management committee which formed the Economic Development Research Institute at the Kellogg Business School at Northwestern University. Mr. Hunter is also a member of the Board of The Waterfront Center.

Mr. Hunter holds a Master's degree from the University of California, Berkeley, and a Bachelor's degree from the University of Kansas. He serves on several corporate and civic boards of directors; he served on an advisory board for the Kellogg Business School at Northwestern University; and he was chairman of the Board of Trustees for a 700-student independent K-12 school in Annapolis. Mr. Hunter has published numerous articles and monographs on a wide range of professional topics, and he lectures periodically at several universities. He has taught undergraduate and post graduate courses, functioned as an expert witness in several judicial proceedings, and is considered to be a national expert on innovative real estate development and financing techniques. He has been profiled in *Who's Who in American Real Estate*.

A self-made man, Mr. Hunter was raised by a single parent in a blue-collar Chicago neighborhood. The first in his family to receive higher education, he worked his way through seven years of college and earned a commission in the U.S. Navy. He served as a department head on a light combatant ship during two tours in Vietnam, was shipboard nuclear weapons officer and held a top secret/crypto clearance. He received seven combat decorations including the Bronze Star. He now resides on the shore of the South River in Annapolis with his wife and two daughters.

HUNTER INTERESTS
INCORPORATED

Hunter Barrier
Vice President, Development & Finance
Hunter Interests Inc.
Annapolis, Maryland

Mr. Barrier has had 14 years in the real estate consulting field and he has gained considerable experience and expertise in the areas of marketing and financial analysis. He is accomplished in the areas of development packaging, project management and financing, joint venture negotiating, corporate strategic planning, public/private development, and mixed use market strategies. Mr. Barrier has negotiated and structured ground lease arrangements, assisted in the preparation of City Master Plans including office, retail, hotel, and convention feasibility studies, and he has worked with local governments through the zoning and approvals stages.

Prior to joining Hunter Interests Inc., Mr. Barrier was Director of Real Estate Operations for a Fortune 100 company. He was responsible for directing real estate development and investment in the Washington, DC and Chicago regional offices. Projects include office parks, R&D projects, research parks, and land development. In the early 1980s he was associated with a mid-size, nationally active real estate consulting firm located in Maryland. Specific areas of financial expertise include: project feasibility analysis, financial modeling, and investment analysis.

In a major southern city, Mr. Barrier initiated a comprehensive development plan to construct a $60 million county government complex. This plan included a space needs analysis, funding/financing strategies and solicitation of private developer interest.

Mr. Barrier served as an integral member of the development team for construction of a 400-acre multi-use project which included a 1.2 million square foot mall, state-of-the-art cinema complex, and other commercial and residential space in Austin Texas. This project has received numerous awards and recognition for innovative, high quality, and financially successful development.

Mr. Barrier has a BA in Economics from Vanderbilt University and has completed substantial work in the Masters program in the area of Civil Engineering at The University of Texas.

1. Louise Sellers by Councilmember Wheeler
2. Cornelius Smith by Councilmember Greene

Attachment 8

17. Appointments to Carolina Theater Task Force

Action: **Make two appointments to the 11 member Carolina Theater Task Force.**

Nominees: Annissa Brown by Councilmember Cannon

Jan Valder by Councilmember Spencer

Marcie Kelso by Councilmember Wheeler

James Mitchell by Councilmember Greene

Introduction to CONSENT

The consent portion of the agenda is divided into two sections: Consent I and Consent II.

Consent I consists of routine items that have been approved in the budget, are low bid, and have met MWBD criteria.

Consent II consists of routine items that have also been approved in the budget, but may require additional explanation.

Minority and Women Business Development Program (MWBD) Abbreviations:
BBE - African American
ABE - Asian American
NBE - Native American
HBE - Hispanic
WBE - Non-Minority Women

Contractors and Consultants
All contractors and consultants selections follow the Council approved process unless explained otherwise.

CONSENT I

18. Various Bids

A. Airport Shuttle Buses — Aviation

Recommendation: The Aviation Director recommends the unit price bid of $91,900 by National Bus Sales and Leasing, Inc., Marietta, Georgia. Two shuttle buses will be replaced.

MWBD Compliance: Yes. There are no known MWBD suppliers of this equipment.

B. Fire Station 32

Engineering and Property Management

Recommendation: The City Engineer recommends the low bid of $1,386,992 by Godfrey Construction Co., Inc. of Charlotte, North Carolina. Fire Station 32 will serve the recently annexed Ballantyne area.

MWBD Status:	Amount	% of Project	Project Goals
BBE	$82,940	7%	12%
ABE	$0	0%	1%
NBE	$10,000	1%	1%
HBE	$0	0%	1%
WBE	$16,761	1%	8%

MWBD Compliance: Yes. Godfrey Construction Co. has made a good-faith effort.

C. Chantilly Phase III - Bay Street Culvert Replacement

Engineering and

Recommendation: The City Engineer recommends the low bid of $130,956.26 by Ferebee Corporation of Charlotte, North Carolina. This project is the third of four culvert replacements planned for the Chantilly Neighborhood. The project is intended to reduce flooding and to alleviate frequent maintenance problems.

MWBD Compliance: Yes. Ferebee Corporation will self-perform.

D. Dewatering and Transport of Residuals - McDowell Creek Wastewater Treatment Plant

CMU

Recommendation: The Charlotte-Mecklenburg Utilities Director recommends the low bid of $235,026 by Bio-Nomics Services, Inc. of Charlotte, North Carolina. This contract will provide labor, equipment, materials, supervision, insurance, and permits for dewatering and transporting of digested residuals from the McDowell Wastewater Treatment Plant.

MWBD Status:	Amount	% of Project	Project Goals
MBE	$2,184	1.0%	1.0%
WBE	$2,184	1.0%	1.0%

MWBD Compliance: Yes.

E. **Water and Sewer Main Construction** **CMU**
- FY99 Contract M - Street Main Extensions

Recommendation: The Charlotte-Mecklenburg Utility Director recommends the low bid of $888,551.70 by Sanders Utility Construction Company of Charlotte, North Carolina.

MWBD Status:	Amount	% of Project	Project Goals
BBE	$0	0%	2%
WBE	$888,551.70	100%	3%

19. Resolution Of Intent To Abandon Street And Set Public Hearing - Two alleyways bounded by Lasalle, Cummings, Augusta, and Custer Streets.

Action:

A. Adopt the Resolution Of Intent to abandon two alleyways bounded by Lasalle, Cummings, Augusta, Custer Streets; and

B. Set a Public Hearing for March 22, 1999.

Attachment 9

CONSENT II

20. FY99 Mid Year Budget Ordinance

Action: **Adopt the Fiscal Mid-Year Ordinance reflecting changes to the Annual Ordinance adopted in June 1998 and reflecting accounting changes necessary to comply with Generally Accepted Accounting Principles.**

Explanation:

- Each fiscal year City Council considers an ordinance adjusting for changes since the adoption of the annual budget ordinance in June. Holding non-emergency budget changes until this mid-year ordinance reduces the number of ordinances throughout the fiscal year. Some of these changes are technical accounting changes. Others are to provide additional funding for projects which are in need of action before the next fiscal year. Other changes distribute grant and interest earnings.

Grants

- Sections 1 through 4 of the attached ordinance appropriate grants which have been received during the fiscal year and need to be appropriated. Included are:

  - Police grants from Rutgers University ($32,000) and Federal COPS MORE Block Grants ($341,186). The Rutgers grant is for equipment for the Planning and Research Division. The COPS MORE grant continues to assist in funding the Department's Non-Emergency Police Services (NEPS) Unit.

  - An Emergency Management Division grant from the State Department of Crime Control and Public Safety totaling $1,676.60 funds hazardous materials handling equipment.

  - A Transportation Planning Grant from the State Department of Transportation ($248,500) funds regional transportation planning initiatives.

General Fund

- Section 5 appropriates $23,000 from Police Assets Forfeiture Funds for a study of women in police work to be performed by UNC-Charlotte. The study's purpose is to identify strategies that can enhance the Department's recruitment of women for police officer positions.

- Section 6 appropriates fund balance of $100,000 for an Air Quality Study.

- Section 7 transfers the City's Uptown Park It! Program ($2,000,000) to the General Fund from the Transportation Fund.

Transportation Operating and Capital Funds

- Sections 8 and 9 amend the appropriations for projects funded by state and federal transportation grants. A state-funded planning grant is increased by $36,387. Federal and state funded bus replacement grants are amended to reflect a net decrease of $122,358 from the original estimates.

Storm Water Operating Fund

- Section 10 provides $1,343,000 from the Storm Water Operating Fund's fund balance and increased operating fee revenues for the following purposes:

  - $700,000 will fund additional transfers to Debt Service to replace interest earnings originally estimated to be transferred from Bond funds. The decision to not sell bonds this fall decreased the amount of cash on hand from the original estimates.

  - $325,000 will fund equipment to be used for storm water- related emergencies.

  - $218,000 will fund professional services for the Water Management Study.

  - $100,000 will fund additional overtime for staff construction project inspections.

General Capital Projects

- Section 11 provides $225,000 for Fire Station modifications for female staff bathrooms, kitchen renovations, and windows replacements.

- Sections 12 and 13 appropriate $5,300,000 for four road projects from Street Bonds. The four projects are: Prosperity Church, Johnston, and Hoskins Roads and the Beatties Ford and Sunset Roads Intersection.

- Section 14 appropriates $2,950,000 from 1993 Environmental Protection Bonds to eligible projects: the Statesville Road Landfill and Underground Storage Tanks.

Aviation Operating Fund

- Section 15 revises the amount of excess Airport revenues from Fiscal Year 98 transferred to the Aviation Discretionary Fund for future distribution in accordance with airline contractual and bond agreement stipulations. The actual amount to be transferred totaled $20,245,000, or $6,717,000 more than the original estimate of $13,528,000. This amount was determined by the annual audit completed in September 1998.

Aviation Debt Service Funds

- Sections 16 and 17 amend the Aviation Debt Service Funds to fund payments for trustees fees ($5,000) and Aviation Special Facility Revenue Bonds ($87,405).

Municipal Debt Service Fund

- Section 18 amends the Municipal Debt Service Fund for $1,095,800 to reflect the changes resulting from the July 1998 Bond Sale and Refunding.

Utilities Operating Fund

- Section 19 appropriates $7,340,260 from additional Utilities Operating Fund Connection Fees ($2,000,000), interest earnings ($1,300,000), and fund balance ($4,340,260) for the following purposes:

- $3,437,000 will fund additional transfers to the Debt Service Fund to replace interest earnings originally estimated to be transferred from Bond funds. The decision to not sell bonds this fall decreased the amount of cash on hand from the original estimates.

- $2,900,000 will fund contractual services for constructing water and sewer tap connections and for additional regulatory compliance at waste water treatment plants.

- $685,940 will fund equipment for additional water distribution crews to respond to leak repair requests.

- $317,320 will fund the development of a new Customer Service System.

Neighborhood Development

- Section 20 appropriates Federal grants received from HUD ($361,000) for the Housing Opportunities for People with AIDS and JTPA ($113,827) for the Welfare to Work Programs.

- Sections 21 and 22 appropriate interest earnings and other program income earned to the HOME and CDBG funds totaling $43,000 and $382,000, respectively, and to the City Within a City Loans and Innovative Housing Programs of $953,497 and $404,757, respectively.

Other

- Section 23 amends the amount of payments from the Convention Center Tax Fund to the Charlotte Convention and Visitors Bureau to agree to the final contract amount of $3,400,000.

- Sections 24 through 26 make technical accounting changes in various funds. No changes in any key business's bottom line appropriations are made.

Attachment 10

21. Preliminary Assessment Resolution and Set Public Hearing for Special Assessment to Install Curb and Gutter in the Williamsburg Neighborhood

Action:

A. Adopt preliminary assessment resolution for special assessment to install curb and gutter in the Williamsburg Neighborhood; and

B. Set a public hearing for March 22, 1999.

Policy:

Storm Water Services Pipe and Channel Policy:

- Repair existing open channels with channel improvements unless engineering reasons require installation of pipe or pipe is less expensive.

- Property owners can receive an upgrade to City planned drainage improvements if they pay for the cost of the upgrade.

Explanation:

- Storm Water Services has completed planning of drainage improvements in the Williamsburg neighborhood. The existing system consists mainly of roadside ditches and driveway culverts, which are undersized, flood frequently, and are poorly drained. Proposed improvements by Engineering & Property Management's Storm Water Division include work on the ditches and pipes to prevent road flooding and meet design criteria, but do not include installation of curb and gutter.

- Neighborhood leaders asked about the possibility of upgrading the project to include curb and gutter. North Carolina General Statutes 160A-216 *et seq.* authorizes cities to make special assessments for such purposes.

- At the request of neighborhood leaders, Engineering & Property Management completed a cost estimate to upgrade the Storm Water project to include curb and gutter. Assessment amounts were developed based upon this estimate and terms of the petition were

developed by the petition leaders, in consultation with City Engineering and the City Attorney's Office.

- A petition containing signatures representing 75 per cent of all affected properties was received by Engineering & Property Management on November 30, 1998.

- The petition requests Council to set a special assessment to be levied on all properties in the Williamsburg Neighborhood fronted by roadway lacking curb and gutter. This special assessment is not to exceed $853,000 distributed over 182 properties and represents the estimated cost to upgrade the City project to a curb and gutter system. For each property, individual assessment amounts are calculated on a combined basis of footage of frontage and lot size.

- Adoption of the preliminary resolution sets the terms for the assessment to be considered and date for the public hearing.

- After the public hearing, Council will have three options:

  1. Accept the petitioners' request by adoption of the final Assessment Resolution directing the project to be undertaken by Engineering & Property Management

  2. Reject the petitioners' request

  3. Adopt a new preliminary resolution with revised terms and new date for a public hearing.

Future Action:

- If the final Assessment Resolution is approved, Engineering & Property Management will design and bid the project with the curb and gutter improvements included. Once construction is completed and final costs determined (approximately two to three years), Council will

be asked to approve the Assessment Rolls, which also includes a public hearing. The special assessments would go into effect at that time, constituting a lien on each affected property until full payment is made.

Attachment
Preliminary Assessment Resolution
Williamsburg Neighborhood Petition; SW98-01
Map

22. Goodyear Tire and Rubber Contract Amendment

Action: **Approve a second amendment to the contract with Goodyear Tire and Rubber Company for transit tires.**

Explanation:

- On September 24, 1996, the City executed a contract with Goodyear Tire and Rubber Company for 12.5 x 22.5 size tires for use on 157 Charlotte Transit buses. It is a five year contract with each year's estimated costs identified. The contract can be terminated with thirty days written notice.

- In 1997, the makeup of the Transit fleet changed when the Goshen Coach buses were added. As a result, the contract was amended on June 23, 1997 to add prices for the appropriate size tires that fit those vehicles.

- In 1998, the Transit fleet changed again with the addition of 51 Nova buses. With approval of this second amendment, prices are added to the contract for the appropriate size tire for that type of vehicle.

- Estimated annual expenses for transit tires are $240,000.

Funding: FY99 Transit Operating Budget

23. Sale of Transit Buses

Action: **Declare 19 transit buses surplus and approve a resolution authorizing them for sale to the City of Gastonia, the City of Greensboro and the City of Wilmington, North Carolina.**

Explanation:

- The City replaced these 1982 buses in 1998 with the purchase of the new NOVA low-floor buses. The buses were purchased using 90% federal and state funds and are fully depreciated.

- The City is not planning to keep the 16 year old buses for service expansion because of their high maintenance costs and the frequency of customer complaints on their condition.

- The cities of Greensboro, Wilmington, and Gastonia have an immediate need for these buses. By purchasing these buses, the cities will be able to provide uninterrupted bus service to their patrons.

- The fair market value, based upon the condition of the buses, is between $850 and $1,200. The three cities are paying $1,000 per bus for the purchases.

24. Microsoft Technical Support Contract Amendment

Action: **Approve an amendment to the Microsoft Consulting Services Master Agreement to provide specific technical support in an amount not to exceed $472,000.**

Explanation:

- The Information Technology Division is in the middle of rebuilding the City's computer infrastructure. In conjunction with this rebuild, Council approved on February 23 and July 27, 1998 annual contracts with Microsoft to:

  - provide high level strategic planning services for both present and future Microsoft products and technologies

- establish a technical partnership and a guaranteed level of support to critical high level technical skills. Access to this skill level is currently in a severe shortage nationwide

- provide two months of additional technical consulting funded by Microsoft as their partnership contribution

This original contract expires February 28, 1999.

- This request is to renew for a second year, the technical staffing services provided under the original contract; revise the number of hours of consulting by Microsoft; and add a project manager for desktop implementation. More specifically, these revisions provide:

  - A term extension beginning March 1, 1999 to February 29, 2000 at a cost not to exceed $255,000.

  - A project manager will be provided for the City-wide desktop upgrade program. This program is required to resolve the City's desktop computer related Year 2000 issues. The cost of this service is not to exceed $217,000.

  - Provide 96 hours of consulting services funded by Microsoft as their partnership contribution.

- Extending this contract is critical to the City's successful completion of the infrastructure upgrade since that project is based upon Microsoft products. As the developer, Microsoft uniquely has the most expertise in guiding the City in the use of their products as we develop our corporate-wide computer infrastructure.

Funding: Information Technology Operating Budget and Technology Fund

25. Highland Avenue Bridge Replacement - Planning and Design Services

Action: **Approve agreement for $245,849 with HDR Engineering, Inc. of the Carolinas for engineering services.**

Explanation:

- The existing bridge, at Highland Avenue over Norfolk Southern Railway, does not meet NCDOT design standards and is a safety hazard. This agreement will provide for surveying, planning, and design services for:
  - The replacement of the bridge at Highland Avenue to meet NCDOT standards;
  - The reconstruction of the roadway approaches; and
  - The construction of a drainage system and sidewalk on the east side of Highland Avenue.
- Council approved a Municipal Agreement on June 9, 1997, with the North Carolina Department of Transportation (NCDOT).
- NCDOT will reimburse the City 80% of the design and construction costs with the exception of some additional sidewalk and drainage work the City desires. The maximum reimbursement for design costs is $160,747.20.
- The cost of these services is comparable to the cost of similar work for other transportation projects.

Funding: Bridge Replacement Capital Account

26. CMGC Elevator Maintenance Agreement

Action: **Approve agreement for $400,304.40 with Otis Elevator Company, Inc. of Charlotte, NC, for five years of full service elevator maintenance for the Charlotte Mecklenburg Government Center (CMGC).**

Explanation:

- This agreement provides full service maintenance for five years on the six elevators in the CMGC. The agreement also provides software upgrades to ensure maximum efficiency of the CMGC elevators. The elevator software is Year 2000 compliant.

- Otis Elevator Company, Inc. is the manufacturer and the installer of the elevators and has maintained them since their installation eleven years ago.

- The maintenance fee represents a cost of $.21 per total square feet of building space per year over the next five years. This is the same fee under the current contract which expires March 1, 1999. The average cost per year for uptown buildings is $.27 per total square feet.

- Otis owns and controls the computer software which operates the elevators and is currently installing an extensive upgrade of software and hardware under the current contract. There is no generic software that fits the CMGC elevators.

- The City selected Otis because of their sole proprietorship of the computer software, as well as their excellent service and competitive rates.

- The agreement may be renewed after five years upon mutual consent of the City and Otis.

Funding: Charlotte-Mecklenburg Government Center Operating Budget

27. Contract for Police Department Mainframe Computer

Action: **Approve a contract with LDA Products, Inc., not to exceed $300,000, for the three year lease of a mainframe computer for the Police Department.**

Explanation:

- The Police Department needs to lease a mainframe computer to replace its current ES9000 system. The mainframe computer will be used to run the department's current computer aided dispatch system (CAD) until the conversion to the new CAD system which will be completed by 2001.

- The current mainframe computer is undersized for the volume of work it must process. This has resulted in slowdowns during periods of peak calls for service demand. Leasing of a new mainframe computer will allow the existing system to keep up with workload demand. This lease will provide us with a Y2K compliant mainframe computer. This will also enable the department to partition the mainframe to run the current CAD system on one side and conduct Y2K testing of the CAD software on the other.

- The Police Department issued a Request for Proposals for the lease of the mainframe. There were two respondents, LDA Products and Reliable Computer Company. The bid from LDA Products was for $253,590. The bid from Reliable Computer Company was for $151,474. However, evaluators from the Police Department and the Information Technology Department did not believe that Reliable met the RFP criteria.

- The proposed contract is not to exceed $300,000. This will provide a small contingency fund for any additional expenses not identified in the original RFP. The three year lease of the mainframe will keep the current CAD system functional until the new CAD is operational and will allow the Police Department to run both systems simultaneously for six months so that any problems with the new system can be identified and corrected.

Funding: 1998 Local Law Enforcement Block Grant

28. Irwin Creek Wastewater Treatment Plant Pumping, Flow Equalization, and Relief Sewer Design Services

Action: **Approve design services for $953,438 with Camp Dresser and McKee for additional design of relief sewer, bidding, and construction services at the Irwin Creek Wastewater Treatment Plant.**

Explanation:

- The contract with Camp Dresser and McKee (CDM) was approved by City Council on June 23, 1997 in the amount of $2,029,725. This contract will provide for design of improvements required to:
  - increase the available industrial treatment capacity at the Irwin Creek Plant
  - provide a sewer system sufficient to handle increased flows from future growth, and
  - minimize wet-weather sewer overflows
- Amendment #1 in the amount of $953,438 will provide for a 6,200 foot extension of relief sewer to serve the new Bank America Development (the downtown Gateway project). In addition, flood proofing of the effluent pump station at Irwin Creek WWTP was added to the project scope. Other scope increases include increase in relief sewer and flow equalization capacities, use of multiple construction contracts to accelerate completion times, and addition of various environmental assessments required as part of the design process.
- Camp Dresser and McKee's (CDM) contract will increase from $2,029,725 to $2,983,163.

Funding: Sewer Capital Investment Plan

29. Catawba River Raw Water Pumping Station Expansion - Budget Ordinance and Contract

Action:

A. Approve a budget ordinance appropriating $3,500,000 for Catawba River Raw Water Pumping Station Expansion; and

B. Award the low combined Multi-Prime bid of $11,643,810 as follows:

General
Hickory Construction Company
Hickory, North Carolina for the bid amount of $9,491,100

HVAC
LT Mechanical
Charlotte, North Carolina for the bid amount of $122,400

Electrical
Energy Erectors
Leesburg, Florida for the bid amount of $1,909,440

Plumbing
Cam-Ful Industries
Pineville, North Carolina for the bid amount of $120,870

Explanation:

- This project was initially funded at $6.7 million in the FY93 Capital Investment Program (CIP) based on preliminary estimates of pumping capacity and capital cost. After preliminary engineering was completed, the funding level was increased to $9 million in the FY95 CIP. The project was then delayed for four years pending receipt of a withdrawal permit from the Federal Energy Regulatory Commission. Inflation in construction cost during this period and increases in project scope based on current projections of raw water demand have caused a substantial increase in construction cost.

- The Charlotte-Mecklenburg Utility Director recommends the low bids of Hickory Construction (General, L.T. Mechanical, Inc. (HVAC), Energy Erectors, Inc. (Electrical) and Cam-Ful Industries (Plumbing). The bids total $11,643,810.

- Construction of this project will provide an additional 150 million gallons per day of water supply pumping capacity to serve increased demand for the next 10 years.

- This project consists of a new intake structure and pumping facility on Mountain Island Lake, at the site of the existing raw water pumping station. The new pumping station will have four 50 million-gallon-per-day pumps, augmenting the 130 mgd capacity serving the Franklin Water Treatment Plant.

- The project will include dredging of the intake channels for the existing pumping station.

MWBD Status:

General - Hickory Construction

MWBD Compliance: The General Contractor has provided adequate evidence (letters) of extensive efforts to comply with the MBE and WBE goals for this project. Utility Department has reviewed the Contractor's documentation and determined that the Contractor can and will continue to make the good faith effort to meet the goals for this project as subcontracting opportunities arise.

HVAC - L.T. Mechanical

MWBD Compliance: The HVAC Contractor will self-perform all work on these projects.

Electrical - Energy Erectors

MWBD Compliance: The Electrical Contractor requested bids from a minority instrumentation systems integrator, but that firm was not the low bid for the

work. Utility Department has reviewed the Contractor's documentation and determined that the Contractor can and will continue to make the good faith effort to meet the goals for this project as subcontracting opportunities arise.

Plumbing - Cam-Ful Industries

	Amount	% of Project	Project Goals
MBE	$0	0%	2%
HBE	$0	0%	0%
NBE	$0	0%	0%
WBE	$3,626	3%	1%

MWBD Compliance: The Plumbing Contractor has identified a WBE firm which it will use in this project. Utility Department has reviewed the Contractor's documentation and determined that the Contractor can and will continue to make the good faith effort to meet the goals for this project as subcontracting opportunities arise.

Funding: Water Capital Investment Plan

30. Four Mile Creek Relief Sewer - Budget Ordinance and Change Order #2

Action:

A. Approve a budget ordinance appropriating $200,000; and

B. Approve Change Order #2 for $223,273.01 with State Utility Contractors, Inc. for pipeline work at the Four Mile Creek Relief Sewer.

Explanation:

- A budget ordinance is necessary because extensive amounts of underground rock and rapid residential flood plain development were unknown at the initial development of this project.

- Change Order #2 will pay State Utility Contractors for providing labor and equipment for quantity overruns on:

- rock excavation;
- seeding and mulching; and,
- manhole installation on the Four Mile Creek Project.

- The dollar value of the change order is based on the unit costs shown in the construction contract.

- The Four Mile Relief Sewer contract was approved by City Council on August 25, 1997 in the amount of $3,710,059.26.

- Change Order #1 was a no-cost change order for a time extension due to bad weather; it was approved on 10/1/98.

- State Utility Contractors' contract will increase from $3,710,059.26 to $3,933,332.27.

MWBD: The Contractor's effort concerning MWBD involvement has not changed with approval of this change order. All additional work was performed by an approved non-minority subcontractor or by State Utility directly.

Funding: Sewer Capital Investment Plan

31. Long Creek Pump Station Upgrades - Professional Services Contract

Action: **Approve a contract with Brown and Caldwell for $2,034,035 to provide design and construction management for upgrades to the Long Creek Pump Station.**

Explanation:

- This contract will provide for design and construction management for replacement and expansion of the pumping capacity at the Long Creek Pump Station.

- Brown and Caldwell will:

  - prepare a pre-design analysis determining the exact flow characteristics for the Long Creek and Gar Creek Basins;

  - examine several discharge routes.

- Design and construction will be conducted to replace and increase the size of the existing pump station and force main.

- The pump station was built eighteen years ago to provide interim sewer capacity for the Long Creek basin. It is electrically and mechanically obsolete and has significant structural deficiencies. Pump and force main failures have caused several sewer spills.

MWBD:

- Brown and Caldwell will use CITI and F & R as subconsultants. CITI is a MBE and will provide the instrumentation and control systems design for the pump station. Their involvement is approximately $87,920.

- Froehling & Robertson is a WBE and will provide surveying services. Their involvement is approximately $36,760.

Funding: Sewer Capital Investment Plan

32. Water Main Rehabilitation - Professional Services Contract

Action: **Approve a contract with CH2M Hill to provide planning, design and construction management services for the Water Main Rehabilitation Program. The contract duration is two years with a not to exceed amount of $850,000.**

Explanation:

- This contract will allow CH2M Hill to perform planning, design and construction management services for various rehabilitation projects. The contract will include:

  - evaluation of approximately 20,000 feet of water mains around the Presbyterian and Mercy Hospitals and design and construction management of recommended rehabilitation or replacement of these mains

- evaluation of approximately 26,000 feet of large diameter water mains that are fed from the Vest Water Treatment Plant. Design and construction management of recommended rehabilitation or replacement of these mains

- evaluation of water system in the Central Business District including hydraulic analysis; develop plan for rehabilitation and replacement; design and construction management of Phase I

- provide general rehabilitation services for smaller scope projects as necessary during the next two years

Funding: Water Capital Investment Plan

33. Reverdy Lane Associates, LLC Sewer Contract

Action: **Approve a reimbursable sewer contract between the City and Reverdy Lane Associates, LLC.**

Explanation:

- The Applicant, Reverdy Lane Associates, LLC, requests a reimbursable contract for the design and construction of the Porter's Pond Lane sanitary sewer lift station and force main to serve their proposed subdivision on Reverdy Lane in Matthews, North Carolina.

- The sanitary sewer facilities have an estimated cost of $110,000. The applicant will pay the full cost of this project up front. The City will reimburse the applicant over a five-year period because it is an approved Capital Investment Plan project.

- The Porter's Pond Lift Station was added to the FY99 Capital Investment Plan by Council on October 12, 1998.

Funding: The applicant has deposited 20% of the estimated project cost with the remaining 80% to be deposited prior to construction.

34. Sewer Contract - Pecan Ridge of Charlotte, LLC

Action: **Approve a non-reimbursable sewer contract between the City and Pecan Ridge of Charlotte, LLC.**

Explanation:

- The Applicant, Pecan Ridge of Charlotte, LLC, has requested a non-reimbursable contract for the design and construction of a sewer main to serve their proposed shopping center development at Vance Road and Mt. Holly-Huntersville Road.
- This project will extend approximately 1,300 feet from Long Creek Outfall, east of Vance Road, to a point near Woodland Circle. The estimated cost of this project is $105,050. The applicant will pay the full cost of this project. This project is non-reimbursable because it is not included in the Capital Investment Plan.

Funding: The applicant has deposited 15% of the estimated project cost with the remaining 85% to be deposited prior to construction.

35. Property Transactions

Action: **Approve the following property acquisitions (A-B) and adopt the condemnation resolution (C).**

Acquisitions:

A. Project: Briar Creek/Central Avenue ATP-3, Parcel #6
Owner(s): Brentwood Arms Apartments, LLC
Property Address: 3300 Central Avenue
Property to be Acquired: Fee simple and utility easement 3,643 sq.ft. (0.083 ac.) plus temporary construction easement of 5,025 sq.ft. (0.115 ac.)
Improvements: Landscaping, sign
Purchase Price: $13,700

Remarks: The areas are needed for intersection improvements along Central Avenue and Briar Creek Road. Acquisition price is based on an independent, certified appraisal.
Zoned: R-22 MF
Use: Apartments
Total Parcel Tax Value: $850,000
Tax Code: 129-063-01

B. **Project**: Colony Road Extension Phase II, Parcel #1
Owner(s): George R. Nassif & wf., Bergenine M. Nassif
Property Address: 4533 Rea Road
Property to be Acquired: 3,760 sq.ft. (0.086 ac.)
Improvements: Trees, landscaping
Purchase Price: $12,350
Remarks: The land area is needed for roadway widening. The purchase price was established by an independent, certified appraisal.
Zoned: R-3
Use: Single Family
Total Parcel Tax Value: $233,920
Tax Code: 211-294-05

Condemnation:

C. **Project**: Billy Graham/Wilkinson Boulevard Area, Parcel #12
Owner(s): F.D. Godley Number Two, LLC & any other parties of interest
Property Address: 4423-4511 Wilkinson Boulevard
Property to be Acquired: 14,834 sq.ft. (0.34.ac.)
Improvements: Chain link fence, trees
Purchase Price: $12,900
Appraiser: James M. Owens
Remarks: A permanent and temporary construction easement is needed for roadway improvement. After numerous contacts, the City has yet to reach an agreement with the property owner. The compensation amount is based on an independent, certified appraisal.
Zoned: I-2
Use: Warehouse/Indus
Total Parcel Tax Value: $2,302,610
Tax Code: 115-091-05 & 06

36. Minutes

Action: Approve the titles, motions and votes reflected in the Clerk's record as the minutes of the:

- January 21 - January 23, 1999 Council Retreat
- January 25, 1999 Business Meeting
- February 1, 1999 Council Workshop and Citizens' Forum