AGENDA

Meeting Type:	BUSINESS
Date:	07/11/1988

City of Charlotte, City Clerk's Office

CHARLOTTE

Mayor Sue Myrick *Mayor Pro Tem Al Rousso*

John A (Gus) Campbell *Roy Matthews*
Stanley M Campbell *Cyndee Patterson*
Dan Clodfelter *Ella Butler Scarborough*
Charlie S Dannelly *Richard Vinroot*
Gloria Fenning *Velva W Woollen*

Council Agenda

Monday, July 11, 1988
District 7 Council Meeting
Carmel Junior High School
5001 Camilla Drive

6:00 PM. . . . . Council-Manager dinner
7:00 PM. . . . . Citizens Hearing
. Presentation by Hugh McColl
7:30 PM. . . . . Council Meeting

ITEM NO.

1. Invocation by Rev. Charles Page of Mouzon United Methodist Church.

2. Consider approval of minutes for Zoning Hearing on June 20, Special CUTRATE meeting of June 21 and Regular Meeting of June 27, 1988.

PUBLIC HEARINGS

3. A. Conduct a public hearing to consider the sale of four parcels of land to the Grier Heights Economic Foundation (GHEF).

B. Recommend approval of a loan of $65,177 to pay for the land and cost of moving six houses onto this land.

Background/Grier Heights Economic Foundation:
On April 20, 1988, the Community Development Department began working with the Grier Heights Economic Foundation (GHEF), a non-profit organization, to assist them in relocating up to ten houses which had been donated to the GHEF by Presbyterian Hospital and Wilmar Leasing. Officials from both Presbyterian Hospital and Wilmar Leasing were referred to the GHEF by Council member Dan Clodfelter. On June 3, 1988, the GHEF submitted a proposal seeking assistance for this project.

Feasibility studies by staff determined that it is only feasible to relocate six of the ten houses which are presently located on the sites of two construction projects. Presbyterian Hospital and Wilmar Leasing have already granted GHEF one deadline extension in order to try to save the houses. However, in order not to delay the construction projects, the houses must be moved or demolished by August 31, 1988. It is recommended that this project proceed in two phases. Council is asked to approve Phase I today.

Following completion of Phase I, staff will be coming back to City Council once we have assisted the GHEF in obtaining firm bids for the rehabilitation of the six houses. A breakdown of land acquisition costs, moving costs, and preliminary rehabilitation costs is attached.

Phase I

- The City will loan $65,177 to the GHEF at a rate of 3% to
  1) finance the acquisition of four parcels of City-owned land in Grier Heights totalling 46,845 square feet for the appraised value of $15,927, and
  2) finance the cost of moving six single family houses at a cost not to exceed $49,250 on to the land.
- Two houses will be relocated to Marney Avenue (Block 16, Parcels 8 & 9).
- Four houses will be relocated to Ellington Street (Block 20, Parcels 6 & 7).
- Crouch Brothers House Moving Contractors will require 4-6 weeks to relocate the houses.

A map is attached.

Phase II

During the period the houses are being moved by the contractor, staff will be processing individual loan applications through the City's Standard Rehabilitation Loan Program. As a non-profit organization, the GHEF is eligible for 3% financing. The City will make individual loans to GHEF to repay the original loan made in Phase I for acquisition and moving costs, plus the costs of rehabilitating the houses. These houses will be sold to low to moderate income families, and the loans will be assumed by the purchasers. Families currently on the City's relocation workload will be given priority to acquire the houses.

Funds: Innovative Housing Account

Clearances: On June 14, 1988, the Charlotte-Mecklenburg Planning Commission approved the Mandatory Referral No. 88-12 (attached) to sell the land to GHEF. The Innovative Housing Committee approved this request on July 6, 1988.

Attachment No. 1

POLICY

4. Recommend (1) authorizing the Mayor, after approval by the City Attorney and Finance Director, to sign certain contracts relating to the design, construction, and operation of the Performing Arts Center, and (2) appropriate up to an additional $2,000,000 for schematic design. Due Amount $1,333,334

Actions:

1. Authorize the Mayor, upon review and approval of the City Attorney and Finance Director, to enter into such contracts as necessary to carry out the Council's commitment to design and construct a Performing Arts Center. By this action, the City commits to acquire the land necessary on which to construct a Performing Arts Center and to lease it to the Foundation. The City also indicates its intent to enter into an Operating Agreement as part of a lease with the Foundation, but does not at this time commit to any funds for the operation of the Performing Arts Center.

2. The City appropriates up to an additional $2,000,000, through an appropriate contractual arrangement, for the Foundation to continue its operations and completion of schematic design of the Performing Arts Center.

Background: At its January 11 meeting, Council authorized the beginning of formal negotiations with NCNB/Charter/Lincoln Properties. During the month of January, these negotiations progressed. At the same time, a committee of Council members appointed by the Mayor completed its work to recommend an organizational structure in which the City could confidently place its funding to obtain a successful project. Both the negotiations and the recommendation of the Mayor's committee came together at the Council's February 8, 1988 meeting. At this meeting, the formal recommendation of the Mayor's committee to designate the North Carolina Performing Arts Center at Charlotte Foundation as the City's agent to handle project development, negotiations, design, and construction was approved. The Council appropriated $150,000 to fund a contract to carry out negotiations and to do studies necessary to fully define user needs.

At its meeting on April 18, 1988, the Council authorized the North Carolina Performing Arts Center at Charlotte Foundation to continue negotiations with NCNB/Charter/Lincoln Properties with the intention of producing definitive agreements and to continue refinement of the design concept. The Council authorized an additional $750,000 necessary to accomplish this.

Explanation of Request: Approval of this request indicates the City's commitment to see that a Performing Arts Center is designed, constructed, and operated as part of an uptown mixed use project being developed on the block bounded by Tryon Street, Trade Street, College Street, and Fifth Street. The City's capital contribution is limited to $15,000,000, including the $900,000 advanced to date and the additional $2,000,000 appropriation sought in this request.

The City's commitment to a Performing Arts Center will be carried out by turning the project over to the North Carolina Performing Arts Center at Charlotte Foundation. Approval of this request will allow the Mayor, after the review and approval of the City Attorney and Finance Director, to enter into a Construction Management Agreement with the Foundation. Approval also indicates the Council's intent for the City to acquire the land, estimated to be approximately 46,000 sq. ft., and lease it, along with the Performing Arts Center to be constructed on it, to the Foundation for it to operate. Furthermore, approval acknowledges certain limited obligations of the City through the Foundation's Agreement with NCNB/Charter/Lincoln (known as Charlotte Center Associates).

As part of the approval of this request, the Council adopts an ordinance approving up to an additional $2,000,000 necessary to complete these transactions, and carry out all necessary work for the Foundation, including schematic design of the Performing Arts Center. Until the completion of the schematic design phase and execution by the Foundation of a guaranteed maximum price construction contract (which is expected to be received in November 1988), there exists a limited risk (in such event, the City could lose its advance of up to $2,900,000) that the project may not prove financially feasible.

Source of Funding: 1987 Cultural Facility Bonds with an advance from the unappropriated balance of the Municipal Debt Service Fund and State grant funds.

Clearances: Budget and Evaluation.

5. Request authorization to proceed with November 8, 1988 bond referendum in the amount of $182,795,000.

Background: On June 13, 1988, Council adopted the FY89-93 Capital Improvement Program resolution endorsing a five year capital construction plan. The plan includes $314.9 million for general government and $218.5 million for water and sewer projects.

Traditionally, City staff has requested Council approval to proceed with a formal bond referendum process. This action is not a legal requirement of the process, but gives staff the direction to proceed. In the next several months, staff will begin preparing information for the North Carolina Local Government Commission and the City's bond counsel.

Bond Referendum: The referendum will seek voter approval for all general government projects approved for the FY89-93 time period ($125.7 million) and FY89-91 time period ($57.095 million) for approved water and sewer projects. This schedule assumes the City will pursue another bond referendum in November, 1990 the additional water and sewer projects.

The following presents bond referendum totals by category:

Street Improvement Bonds	$100,800,000
Storm Drainage Bonds	6,400,000
Parks and Recreational Facility Bonds	9,500,000
Cultural Facilities Bonds	9,000,000
Water Bonds	24,695,000
Sewer Bonds	32,400,000
Total	$182,795,000

A tentative bond referendum calendar is attached.

Attachment No. 2

BUSINESS

6. Recommend approval of six contracts which will comprise the 1988-89 Job Training Plan funded jointly by the Job Training Partnership Act and the City of Charlotte. The contracts total $1,022,845.00.

FY89 Job Training Plan: On March 28, 1988 Council approved the FY89 Job Training Plan which outlined the basic types of job training and services to be provided to economically disadvantaged Mecklenburg County residents.

The following contracts establish the specific programs which comprise the FY89 job plan. The Private Industry Council, which has the responsibility under Federal legislation to identify employment and training needs in Mecklenburg County, approved the following proposals for operation of employment and training programs.

The contracts are divided into two groups: contracts for programs, and contracts for services. Where applicable, evaluations for the current year's contracts are attached.

All contracts have been reviewed and approved by the Private Industry Council, the Budget and Evaluation Department, and the Legal Department.

State grant for comprehensive evaluations: In January, 1988, the City received a State grant of $50,266 which is to be used for conducting comprehensive evaluations of all programs and will determine the impact that we are having in the community. Surveys of employers and employees will cover such things as job retention, pay increases and job mobility, analyzing gaps in the services we provide, etc.

Programs

A. Recommend approval of a contract between the City of Charlotte and Central Piedmont Community College for $165,300.00 in Job Training Partnership Act Title II-A funds and City funds. A total of 290 low income persons will be served through this project.

Central Piedmont Community College
- Basic Education and Individual Referral programs.
- Provides basic education skills to 120 persons who have dropped out of high school; and provides referral to curriculum programs at Central Piedmont Community College for 170 persons.
- Total program cost is $165,300.00.

Basic education for 120 persons:
. According to 1980 census data, 47.62% of all economically disadvantaged Mecklenburg County residents did not complete high school.
. Central Piedmont Community College provides basic educational opportunities to persons who wish to achieve their high school diploma or GED; service is free to Mecklenburg County residents.
. Cost of books, supplies, and bus passes will be assumed by the City; child care assistance may be provided for those who need this service.
. Job development staff will attempt to locate part-time employment for program participants to assist them financially.
. Fifty percent of those served will be youth under the age of 22.
. Duration of participation will be according to each individual's educational needs.
. After completion, participants may enter the Individual Referral occupational training program.

CPCC curriculum programs for 170 persons:
. Central Piedmont Community College will also provide classroom training in a wide variety of occupational areas to 170 low income residents of Mecklenburg County.
. Program participants will be enrolled into curriculum areas currently offered by CPCC.
. Training duration will range from six months to 18 months.
. Costs are for books and supplies.
. Supportive services available to participants include bus passes and child care assistance.

Job placement:
A minimum of 80% of all completers shall be job placed through the City's existing job placement component.

Evaluation: Since the referral and placement activity portion of this contract is provided by Employment and Training Department staff, no formal evaluation was conducted. Program statistics showed that 278

individuals were enrolled during FY88. Fifty-seven completed these curriculums and were placed in jobs; the remaining 221 are still enrolled and will continue course work in FY89. In addition, 115 individuals were enrolled in the Basic Education portion of the program.

B. Recommend approval of a contract between the City of Charlotte and the Charlotte-Mecklenburg Urban League for $78,750.00 in Job Training Partnership Act Title II-A funds and City funds. Thirty-six low income individuals will be served through this word processing classroom training program.

Charlotte-Mecklenburg Urban League
- Word Processing and Systems Information Training Program.
- Provides classroom and job placement in the word processing field for 36 participants. Thirty-five percent of the participants will be under the age of 22 and 40% will be AFDC recipients.
- Program cost is $78,750.00

Training Program
. Services include outreach and recruitment, assessment, selection, classroom training, job development and placement, and follow-up for 36 low income individuals.
. Four training cycles will be conducted, each of which will be twelve weeks in duration.
. A minimum of 35% of the total enrollments will be youth under the age of 22; 40% of those enrolled will be AFDC recipients.

Job placement
. At least 80% of all project participants will be placed into jobs.
. A minimum of 80% will successfully complete training; 90% of the training completers will be placed into training-related employment.
. An average hourly wage rate of $5.50 per hour will be maintained on all individuals counted towards the job placement goal.

This contract utilizes the performance-based contracting method, which provides payment for each participant upon enrollment, midpoint of training, training-related placement, retention, and achievement of an hourly wage rate in excess of $4.75 per hour.

Evaluation: The FY88 contract evaluation showed that the Urban League achieved four of eight performance standard objectives and both administrative objectives. Of those objectives not achieved, three showed substantial progress toward achievement.

Attachment No. 3

C. Recommend approval of a contractual agreement between the City of Charlotte and Goodwill Industries for $70,121.00 in Title II-A Job Training Partnership Act (JTPA) funds to provide employment services to 122 low income handicapped individuals.

Goodwill Industries of the Southern Piedmont, Inc.
- Services to handicapped individuals program.
- Program provides employability skills, job placement services, and supported work for mentally retarded and handicapped individuals.
- Program cost is $70,121.00.

Handicapped Services Program
. Provides concentrated services to low income handicapped individuals so they may gain and retain employment.
. The Private Industry Council approved Goodwill Industries as the project contractor to serve 122 handicapped residents of Mecklenburg County.
. Two project components will comprise the Handicapped Services program, Employability Skills Training/Job Placement and Supported Work. A description of the project components follows:

Employability Skills Training/Job Placement
Employability skills training and direct job placement services will be provided to those handicapped individuals who have been assessed by vocational evaluators as "job ready". Persons enrolled in this component will be given instruction in locating employment opportunities, application completion, interviewing techniques, and job retention skills. Job development and placement services are also provided. Ninety-two economically disadvantaged individuals will be served through this component.

Supported Work
For those handicapped persons who require intensive support to learn the necessary daily procedures when placed in employment, the Supported Work component is available. A staff member, or trainer, will accompany an individual needing one-on-one assistance to his/her job site and will assist the participant in learning the duties of the position, gradually reducing support as tasks are achieved. Thirty participants will be served through this component.

Employment:
. A minimum of 80% of the total number of participants will be placed into private sector employment at an average wage rate of $4.25 per hour.
. Eighty percent will remain employed 90 days after job placement.
. Target goals for enrollment are youth (35%).

Evaluation: The FY88 contract evaluation showed that Goodwill achieved four of seven performance standard objectives and all three administrative objectives. Of the three objectives not achieved, all three had substantial progress toward achievement.

Attachment No. 4

D. Recommend approval of a contract between the City of Charlotte and the North Carolina Department of Labor for $330,678 in Job Training Partnership Act (JTPA) Title II-A and City funds to operate an On-the-Job Training project for 290 low income individuals.

North Carolina Department of Labor
- On-the-Job Training Project
- Provides private sector jobs and reimbursement to employers for a portion of the wages for 290 individuals.
- Program cost is $330,678

N. C. Department of Labor Contract:

. To assist the City with the implementation of economic development policies and to provide low income individuals with the opportunity to gain occupational skills while employed, the Private Industry Council approved the continuation of an On-the-Job Training program for FY89.

. The North Carolina Department of Labor was awarded the contract for this program by the Private Industry Council based on their competitive bid and their performance over the past two years as Charlotte-Mecklenburg's Job Training Partnership Act (JTPA) On-the-Job Training contractor.

Training:

. Two hundred ninety economically disadvantaged persons will be given training by private sector employers who agree to hire participants for a specified training period.

. Duration of training dependent on the specific occupational skill level of the training position, with the average training length lasting 16.5 weeks.

. Jobs for which participants will be trained will vary contingent upon labor market needs.

. Employers will be reimbursed for a participant's wages during the training period according to the following schedule:

- For participants earning from $3.35 per hour to $3.99 per hour, reimbursement will equal 30% of the training wages.

- For participants earning from $4.00 per hour to $4.99 per hour, reimbursement will equal 40% of the training wages.

- For participants earning from $5.00 per hour or more, reimbursement will equal 50% of the training wages.

Employment:

- Ninety percent of all participants will be placed into full-time unsubsidized employment; it is expected that at least 85% of the On-the-Job Training participants will complete their training period.
- One hundred percent of the program completers will be placed into full-time unsubsidized jobs with an average wage rate of $5.02 per hour.
- At least 75% of those participants who are job placed will remain employed 90 days after placement.

Based on performance, payments will be made to the contractor upon enrollment, midpoint, job placement, and retention of each participant. Target groups for enrollment are youth (35%), welfare recipients (10%), high school dropouts (30%), veterans (8%), and handicapped individuals (5%).

Evaluation: The FY88 contract evaluation showed that the N. C. Department of Labor achieved four of ten performance standard objectives and one of two administrative objectives. Of the seven objectives not achieved, six showed substantial progress toward achievement.

Attachment No. 5

E. Recommend approval of a contract between the City of Charlotte and the Charlotte-Mecklenburg Board of Education for $230,635.00 in Job Training Partnership Act Title II-A funds to operate the "Skills for Employability Success" (SES)/Job Placement program to serve 200 low income high school seniors.

Charlotte-Mecklenburg Board of Education

- Skills for Employability Success Program.
- Provides instruction in obtaining employment for 200 economically disadvantaged high school seniors.
- Program cost is $230,635.00.

Skills for Employability Success

- The Private Industry Council approved continuation of the Charlotte-Mecklenburg School System's "Skills for Employability Success" program during FY89.
- Program is to provide 200 low income high school seniors with instruction in employability skills.
- Project developed to help eligible youth, identified by the school system as potential dropouts, remain in school and obtain employment upon graduation.
- Only school program that provides full-time job placement services for low income youth.

- Topics to be discussed are:
  - citizenship responsibilities,
  - success in the job market,
  - job interviewing techniques,
  - how to complete an employment application.
- One unit of high school credit will be awarded to participants who successfully complete this program.

Employment

- Recruitment activities will begin on July 1, 1988 and continue through September 30, 1988 when the goal of 200 participants should be achieved.
- Job development and placement activities will occur throughout the year with part-time jobs being created during the school year and full-time jobs being filled upon graduation.
- Minimum of 100 participants will be placed into full-time private sector employment as a result of this program.

City participation: The City of Charlotte contract with the Board of Education doubles the size of the twelfth grade "Skills for Employability Success" Program currently operated by the Board of Education. Included in the terms of our contract is the requirement that all of the students served by the City's portion of the program qualify under the JTPA guidelines as economically disadvantaged or low income students. Thus with the City funds, the Board of Education is able to target a particular population group which they would be unable to target with their own general program.

Evaluation: The FY88 contract evaluation (data as of June 1, 1988) showed that the Board of Education achieved six of seven performance standard objectives and two administrative objectives (the remaining two administrative objectives could not be measured at this time).

The objective not achieved requires that 50% of the participants be placed into unsubsidized jobs. Since the evaluation data reflects information prior to the end of the school year, the participants were not available for full-time employment. Follow-up data as of July 7, 1988 showed that the objective had been met and 106 of 206 participants or 51% were placed in jobs.

Attachment No. 6

Services

F. Recommend approval of a contract between the City of Charlotte and Child Care Resources, Inc. for $147,361.00 in Job Training Partnership Act Title II-A and City funds to provide 55 daycare slots for employment and training participants.

Child Care Resources, Inc.

- Daycare Program.
- Provides 55 daycare slots for participants in Job Training Partnership Act programs.
- Program cost is $147,361.00.

- The Charlotte-Mecklenburg Service Delivery Area has included in their FY89 Job Training Plan a provision for the purchase of child care slots to enable some low income persons to eliminate daycare as a barrier to participation in classroom training and on-the-job training programs.
- Child Care Resources, Inc. was chosen as the contractor for child care services due to their extensive background in daycare placement.
- Only persons enrolled in one of the City's employment and training programs of at least 13 weeks' duration may utilize this service.
- Due to fund availability and the high cost of child care, 55 slots will be purchased through this contract. However, slots may be re-utilized throughout the fiscal year contingent upon turnover.
- The average cost per child for daycare is $52.00 per week.
- Daycare slots will be developed in some of the approximately 80 child care centers listed with Child Care Resources.
- Slots will be developed in close proximity to a participant's residence, or training facility, when possible.
- Persons completing classroom training or on-the-job training may continue receiving child care services through the Job Training Partnership Act until job placement has occurred and/or their first paycheck is received.

7. Recommend approval of a contractual agreement between the City of Charlotte and Charlotte-Mecklenburg Senior Centers for $55,000.00 in Title II-A Job Training Partnership Act (JTPA) funds to provide employment services to 100 economically disadvantaged residents of Mecklenburg County aged 55 and over.

Charlotte-Mecklenburg Senior Centers

- Services to older individuals program.
- Program provides employment counseling, job development, and job placement services for individuals aged 55 and over.
- Program cost is $55,000.00.

Background: The State's Division of Employment and Training has allocated $55,000.00 in funds specifically earmarked for services to older individuals. In the past, funds for older worker programs were provided directly to local service providers from the State; however, for FY89 the Employment and Training Department is the recipient of older worker funding. Through the competitive bid process, the Private Industry Council selected Charlotte-Mecklenburg Senior Centers to operate the program. This organization currently operates an older workers program which is JTPA funded through the State.

Older Individual Program

- Designed to provide concentrated services to economically disadvantaged individuals aged 55 and over so they may gain and retain employment.
- Persons enrolled will receive employment counseling, instruction in locating employment opportunities, application completion, interviewing techniques, and job retention skills.
- Job development and direct placement services are also provided.
- One hundred individuals will be served through this program.

Employment:

- Minimum of 80% of the total number of participants will be placed into private sector employment.
- Average wage rate will be a minimum of $4.25 per hour.
- Minimum of 75% will remain employed at least 90 days after job placement.

8. Recommend (1) authorize the City Manager to negotiate a new loan agreement between the City and Trenton Properties to increase the City's financial participation in the Hoskins Mill project from $1,600,000 to an amount not to exceed $2,355,000 in accordance with Options 1, 2 or 3 and (2) give the City Manager discretion to advance disbursement of the City's funds up to $300,000 for work which is currently in progress on the Mill.

Background: On October 12, 1987, City Council approved a request to enter a Loan Agreement with Trenton Properties for $1,600,000 for the adaptive reuse, rehabilitation, and adjacent new construction of 189 housing units for low income families and the elderly on the Hoskins Mill site and authorize the use of $1,600,000 from the Innovative Housing Fund.

Subsequently, City Council on November 23, 1987 was requested to amend its previous action to reduce the first mortgage lender's commitment from the requested amount of $2,443,600 to the bank's actual approval amount of $1,800,000 and to authorize $500,000 of the City's $1,600,000 loan to be advanced for the acquisition of the Mill. The City's loan was closed on November 30, 1987. The $500,000 was advanced for the acquisition, and the City currently holds a first lien as security for its loan.

The total financial need for the project is $8,055,000 of which the participating bank, NCNB National Bank, has approved a $2,000,000 loan and the City has approved a loan of $1,600,000, thereby leaving $4,455,000 to be provided from other sources by the developer. The Loan Agreement, which provides six months from the closing date for the developer to have equity funds in place, would have expired on May 31, 1988.

However, on May 23, 1988 City Council approved an amendment to the Loan Agreement between the City of Charlotte and Trenton Properties to allow an additional three months to secure equity financing and six months to close the loan for the development of the Hoskins Mill site into 189 housing units for low income families and the elderly.

Since City Council approval, the developer, Trenton Properties, has secured equity financing from Liberty Tax Credit Plus who proposed to purchase the tax credits associated with the development for a net cash payment of $3,400,000. However, this commitment leaves a financial gap and shortfall of $1,055,000 as indicated below:

	Current Structure	Original Structure	Difference
NCNB	$2,000,000	$2,400,000	($ 400,000)
City	1,600,000	1,600,000	-0-
Private Equity	3,400,000	4,055,000	($ 655,000)
Total Debt & Equity	$7,000,000	$8,055,000	($1,055,000)
Total Project Cost	8,055,000		
Shortfall	$1,055,000		

Financing Alternatives·
There are three potential options to cover this shortfall. Roger Frankoff with the National Development Council, our financial adviser, has been pursuing two of the three potential options. Two of the specific financing alternatives which are being actively pursued on behalf of the developer significantly reduce the City's increased participation from the maximum potential amount of $755,000. To insure that the developer pursues with vigor the alternatives which result in a reduced cost to the City, the City Manager shall reserve the right to rescind the increase if in his sole discretion the developer does not diligently seek approval of the HUD 312 and co-insurance financing options.

Option #1
A $3,000,000 loan guarantee through the HUD coinsurance program. This is not a direct loan from HUD but is an assurance from the Federal government that guarantees the repayment of the loan in the event of default. With this loan guarantee a lender would increase the primary debt from $2,000,000 to $3,055,000 due to the full faith and credit guarantee by the Federal government.

Primary Lender	$3,055,000
City	1,600,000
Private Equity	3,400,000
Total Debt & Equity	$8,055,000
Total Project Cost	8,055,000
Shortfall	$ -0-

The increased debt is likely to impact the equity commitment from the syndicator due to the increase in the likelihood of cash flow shortfalls. To cover this risk it is estimated that an additional

$200,000 - $300,000 of working captial or letter of credit availability would be needed. This increase could be shared by the City and the developer. The City's participation could be limited to 3-5 years or until performance levels are achieved. Projections indicate that the funds would not be needed and that collected rents can cover operational expenses and debt service. Although there is no firm commitment, the deal has passed the initial credit screening of the co-insurer and the underwriter.

Option #2

A $1,750,000 loan has been applied for through the HUD Section 312 loan fund which is a direct loan from the Federal government. Under this option the shortfall would be $405,000 as indicated below:

Primary Lender	$ 900,000
City	1,600,000
Private Equity	3,400,000
HUD 312 Loan	1,750,000
Total Debt & Equity	$7,650,000
Total Project Cost	8,055,000
Shortfall	$ 405,000

The developer through the Community Development Department has applied for a HUD 312 loan of $1,750,000 which would be applied toward rehabilitating the Mill. Although HUD has expressed a strong interest in making the 312 loan, to date there is no firm commitment.

Option #3

Under the third option the developer and staff have been working with NCNB in an effort to increase their debt participation as follows:

NCNB		$2,200,000
City		2,355,000
City (loan)	2,075,000	
City (preferred equity)	280,000	
Private Equity		3,400,000
Developer's Equity (deferral of fee)		100,000
Total Debt & Equity		$8,055,000
Total Project Cost		8,055,000
Shortfall		$ -0-

Under this option NCNB would increase their loan commitment to $2,200,000 contingent upon the City providing the remainder of the shortfall in total funds needed ($755,000) and injecting that amount into the project as a loan increase to the City in the amount of $475,000 and $280,000 as a preferred equity participation by the City. The developer is also deferring $100,000 of their $430,000 development fee. At this point, the loan increase is being considered by NCNB and no commitment (for the increase) is yet in place. In the event that NCNB declines the increase, the developer pledges his assurances that the project will be completed.

Financing and Loan Terms of the Project:
The terms of the City's project participation will remain the same with the exception of loan disbursement needs. The developer has started cleanup work, demolition, and architectural services on the Mill and has requested an advance of up to $300,000 to continue this work until the construction loan is closed. The City would inspect and approve all work before reimbursements were made.

Project Description:
The project, which involves the rehabilitation of the Mill and the new construction of single family units for a total of 189 units, remains the same. The rent range will be $205 to $416 per month. The City cost per unit on the maximum City contribution of $2,355,000 is $12,460 which is still below the City's cost per unit in comparison with the most recent contract with the Housing Authority which was $39,000 per unit.

Action: (1) Authorize the City Manager to negotiate a new loan agreement between the City and Trenton Properties to increase the City's financial participation in the project from $1,600,000 to an amount not to exceed $2,355,000 according to Options 1, 2 or 3 and, (2) give the City Manager discretion to advance disbursement of the City's funds up to $300,000 for work which is currently in progress on the Mill.

This discretion by the City Manager is needed for the following reasons:

1. Time is of the essence. There is not another City Council meeting until August 22, 1988 and there is a need to secure the total financing package prior to that time to prevent the private equity of $3,400,000 from withdrawing their money from the project.

2. If the rehabilitation portion of the project is completed prior to December 31, 1988, the private equity funds would benefit from the historic tax credits that could be used for this calendar year, and the developer could receive a bonus of $300,000; money which could be used in the financing arrangements of the new construction units thereby reducing the City's maximum contribution of $2,355,000 by a negotiated amount.

The City Manager would require the developer to vigorously pursue and exhaust Options 1 and 2 prior to pursuing Option 3. Option 3 would only be pursued as a last resort. We have been informed by our financial adviser, Roger Frankoff, that in 3-5 weeks we should know whether or not the HUD 312 loan of $1,750,000 would be approved and in 4-6 weeks we should know whether or not the HUD loan guarantee of $3,000,000 would be approved.

ITEM NO.

In an effort to meet the December deadline on rehabilitation of the Mill and to receive the previously mentioned bonus, the developer has been using his own funds to start clean up of the Mill. However, he is running short of funds; therefore, he has requested an advance from the City in an amount up to $300,000 to continue work on the Mill until the construction loan from the bank is closed. No funds from the City would be advanced until the total project cost has been obtained by a construction bid and all costs verified. Furthermore, we would ensure that all money needed to finance the project is in place prior to the disbursement of any additional City funds.

The Innovative Housing Review Committee, consisting of following City departments: City Manager's Office, Budget & Evaluation, Planning and Finance, met with the developer and our financial adviser on July 6, 1988, reviewed the project along with the financing alternatives and concur with this recommendation.

The developer, Jim Mezzanotti, our financial adviser, Roger Frankoff, and Community Development Department Director, J. W. Walton, will be present at the City Council meeting to address any concerns and answer any questions you might have.

Funding: Innovative Housing funds.

9. Nominations for Appointment to Boards and Commissions.

A. Airport Advisory Committee - Two positions for three-year terms. Donald G. Bryant's first term expires July 31. He has complied with the attendance policy and is eligible for reappointment. He qualifies as one of the two members familiar with aviation matters by reason of vocation or avocation. William G. Stewart is completing his second full term and is not eligible for reappointment. His successor must be a resident of the westside community.

B. Art Commission - One position for a three-year term. Deborah Cooper is completing her second full term and is not eligible for reappointment.

C. Boxing Commission - Two positions for three-year terms. The terms of Melvin Pinn and Bob Eller expire July 31. Mr. Pinn is eligible for reappointment; Mr. Eller is completing his second full term and is not eligible for reappointment.

D. Certified Development Corporation - One position for a three-year term in the Business Organization category. Paul Gibson was reappointed in April but has declined the appointment.

E. Citizens Oversight Committee for Cable Television - One position for an unexpired term which will end March 31, 1989. Charles D. Hamrick has resigned.

F. Historic Properties Commission - Two positions for three-year terms. The terms of Dorothy Presser and Allen Brooks expire July 16. Both are eligible for reappointment and have complied with the attendance policy.

G. Spirit Square Board of Directors - One position for an unexpired term ending June 30, 1990. Carla DuPuy has resigned.

H. Tree Advisory Commission - Two positions; one term will expire December 13, 1989, the other in 1990. The revised tree ordinance which became effective June 30, 1988 provides for the addition of two new members.

Attachment No. 7

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The City Attorney advises that agenda items no. 10 through 26 may be considered in one motion. However, any member of Council may request that an item be divided and voted on separately.

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BUDGET ORDINANCE

10. A. Recommend adoption of an ordinance appropriating $3,500,000 in Airport funds to provide temporary funding needed to award the major remaining contracts for the USAir/Piedmont aircraft maintenance hangar.

The following bid section of the agenda recommends award of contracts for the general, mechanical, electrical and plumbing construction of the USAir/Piedmont maintenance hangar. Additional funds of $3,500,000 are needed to award these contracts. USAir has requested the City advance funds to cover the award of these contracts.

The lease agreement states that, in the event of insufficient funds to complete the project, the airline will request and the City will

use its best efforts to issue additional bonds. USAir has requested that the City advance funds to cover the award of these contracts. The advanced funds would be repaid from the proceeds of additional bonds to be issued. In the event that bonds are not issued, then the monies advanced by the City would become an obligation of USAir and due on demand.

Funding: Unappropriated balance of the Airport Operating Fund.

Clearances: The Airport Manager, Finance Director and USAir concur in this request.

B. Recommend adoption of a budget ordinance to appropriate a grant of $32,575 from Duke Power Company for use in planning and implementing response activities in regard to nuclear power facilities.

Background: In accordance with the North Carolina Emergency Management Act, utility companies operating nuclear power plants must allocate funds on a yearly agreement basis to the counties in proximity of the nuclear facilities in order to cover the costs of emergency response activities for such plants. In this area, Duke Power is responsible for the provision of funding to cover the costs of local emergency response activities in conjunction with the McGuire and Catawba nuclear facilities.

$32,575 grant: Adoption of this ordinance will appropriate the grant of $32,575 to be used for planning, training, and resource procurement to enable the community to respond effectively to accidents or incidents at nuclear power plants. This project grant is over and above funding in the current normal operating budget, and will extend beyond FY89.

Clearances: Fire/Emergency Management and Budget and Evaluation.

BID LIST

11. Recommend approval of the bid list as shown. The following contract awards are all low bid and within budget estimates unless otherwise noted. Each project or purchase was authorized in the annual budget.

A. NC - 51 Widening - Phase II Engineering

Recommendation: By the City Engineer that the low bid of $2,275,543.74, as submitted by Crowder Construction Company, be accepted for award on a unit price basis.

ITEM NO.

Project Description: This project consists of widening Highway 51 to a four-lane roadway with a fifth interchangeable turn lane in the center. It extends from Park Road to McAlpine Creek.

The entire Highway 51 project has been broken down into four phases as follows:

Phase I - NC 51/NC 16 intersection improvements. Contract awarded by City Council on November 10, 1986, and construction is near completion.

Phase II is described above.

Phase III - Widening of Highway 51 to a four-lane roadway with a planted median from McAlpine Creek to the Phase I intersection improvements. In design stage.

Phase IV - This phase consists of widening Highway 51 to a four-lane roadway with a planted median from the Phase I intersection improvements to approximately 900 feet beyond Alexander Road; then a four-lane roadway with a fifth interchangeable turn lane in the center to extend from 900 feet beyond Alexander Road to Bubbling Well Road. In design stage.

Source of Funding: General Capital Improvement Fund - (N.C. 51 Widening).

B. Old Terminal Asbestos Removal and Reinsulation — Airport

Recommendation: The Airport Manager recommends that the low bid from Webster Construction Company with a base bid of $250,000.00 be accepted for award of this contract.

Project Description: The old Airport terminal building contains substantial asbestos-containing material making it unsuitable for office occupancy. This contract provides for the removal of asbestos material and reinsulation of affected areas of the building.

Source of Funding: Airport Capital Improvement Fund - (Air Cargo Development).

C. Sanitary Sewer Construction - 8-inch Sanitary Sewer to Serve Hemphill and Rockwell Community Development Areas

Charlotte-Mecklenburg Utility Department

Recommendation: Director, Charlotte-Mecklenburg Utility Department recommends that the low bid by Thackston Construction Company, Incorporated of Greenville, South Carolina in the amount of $647,308.75 be accepted for award of contract on a unit price basis.

Project Description: This project would extend sewer service to the Hemphill and Rockwell Community Development areas, both of which are included in the Mecklenburg County Community Development target areas. County C.D. projects are financed by County bond funds; no City funds will be required.

Source of Funding: Water and Sewer Capital Improvement Fund - (Sewer Extensions to serve Community Development Target Areas).

Under the terms of the Special Facility Lease agreement with Piedmont Airlines, the City agreed to the construction of an aircraft maintenance hangar. To date, two components of this facility, the foundation and steel packages, have been awarded.

The following four bids are for the general, mechanical, electrical and plumbing contracts for the USAir/Piedmont maintenance facility, aircraft maintenance hangar. The mechanical and plumbing portions had to be rebid. The bid opening is Thursday, July 7 at 2:00 p.m.; recommendations will be given to Council prior to the Council meeting. Eight alternates have been approved by USAir and include extra features for the hangar such as steel platforms and catwalks, addition of nine trench drains in the floor system, air conditioning for ground floor shops, etc.

D. General Construction Contract for USAir/Piedmont Maintenance Facility, Aircraft Maintenance Hangar

Airport

Recommendation: The Airport Manager recommends that the low bid from Carlson Southeast Corporation, consisting of a base bid of $15,940,000.00 and add alternates totaling $450,800.00 in a total contract amount of $16,390,800.00, be accepted for award on a lump sum basis.

Source of Funding: Airline Maintenance Facility Capital Project Fund - (Piedmont Maintenance Facility).

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11. F. Mechanical Construction Contract for USAir/Piedmont Maintenance Facility, Aircraft Maintenance Hangar — Airport

Recommendation: The Airport Manager recommends that the low bid from Sanders Brothers, Inc., consisting of a base bid of $2,498,000 and add alternates for a total contract amount of $2,885,500 be accepted for award of contract on a lump sum basis.

Source of Funding: Airline Maintenance Facility Capital Project Fund - (Piedmont Maintenance Facility).

G. Plumbing Contraction Contract for USAir/Piedmont Maintenance Facility, Aircraft Maintenance Hangar — Airport

Recommendation: The Airport Manager recommends that the low bid from Sanders Brothers, Inc. consisting of a base bid of $1,799,000 and add alternates for a total contract amount of $2,332,382 be accepted for award of contract on a lump sum basis.

Source of Funding: Airline Maintenance Facility Capital Project Fund - (Piedmont Maintenance Facility).

E. Electrical Construction Contract for USAir/Piedmont Maintenance Facility, Aircraft Maintenance Hangar — Airport

Recommendation: The Airport Manager recommends that the low bid from Watson Electric Company, Inc. consisting of a base bid of $1,384,128.00 and add alternates of $652,904.00 for a total contract amount of $2,037,032.00 be accepted for award of contract on a lump sum basis.

Source of Funding: Airline Maintenance Facility Capital Project Fund - (Piedmont Maintenance Facility).

F. Mechanical Construction Contract for USAir/Piedmont Maintenance Facility, Aircraft Maintenance Hangar — Airport

Recommendation: Bids to be opened July 7 at 2:00 p.m.; recommendation will be inserted with agenda.

G. Plumbing Construction Contract for USAir/Piedmont Maintenance Facility, Aircraft Maintenance Hangar — Airport

Recommendation: Bids to be opened July 7 at 2:00 p.m.; recommendation will be inserted with agenda.

AGREEMENT

12. Recommend approval of an agreement for engineering services with Ralph Whitehead and Associates for $53,620.00 for the design of a replacement structure for the Sardis Road Bridge at Sardis Branch.

Background/Sardis Road Bridge: Inspection reports for the existing Sardis Road bridge over Sardis Branch note that the bridge is in need of replacement. A study of the bridge recommends that the existing bridge be replaced with a culvert structure. The bridge will be replaced with a four-lane culvert which will accommodate the future Sardis Road Widening Project.

Recommendation: Using the Council-approved selection process, the engineering firm of Ralph Whitehead and Associates is recommended to provide design services in connection with the bridge replacement. The agreement is for $53,620.00.

Funding: Funding for the project is available in the Bridge Replacement Account (Allotment #248.00, Fund #2010).

Clearances: This contract has been reviewed by Engineering and CDOT staff and the City Attorney.

A map is attached.

Attachment No. 8

13. Recommend approval of an agreement for engineering services with MCI Consulting Engineers for $34,700.00 for the design of the Lakeview storm drainage project.

Background/Lakeview project: The Storm Drainage Improvement Program, which was included in the FY89 CIP, provides for the reconstruction of major storm drainage problem areas in the public right-of-way. The Lakeview neighborhood storm drainage project is a high priority storm drainage problem location. Design will be based on the project planning study prepared by the Engineering Department.

Recommendation: Using the Council-approved selection process, MCI Consulting Engineers is recommended to provide design services for the Lakeview Neighborhood Storm Drainage Project. The agreement is for $34,700.00.

Funding: Storm Drainage Improvement Program Account.

Clearances: The contract has been reviewed by the City Attorney and approved by appropriate City staff.

14. Recommend approval of an agreement for engineering design services with HDR Engineering, Inc. of North Carolina for $61,100.00 for the design of improvements to the Providence Road/Alexander Road/Rea Road intersection.

Background: As part of the Capital Improvement Program, funding is provided to improve several transportation system management (TSM) intersections each year. The Providence Road/Alexander Road/Rea Road intersection has been identified as a TSM intersection due to high traffic congestion.

HDR Engineering, Inc. of North Carolina performed the planning phase and citizen involvement process on the intersection project; the City Engineering Department completed survey work and preliminary design work. Due to limited staff resources, it is recommended a private firm complete final design on the project.

Recommendation: Using the City Council-approved selection process, HDR Engineering, Inc. of North Carolina is recommended to provide final design services on the Providence Road/Alexander Road/Rea Road Intersection Improvements project. The agreement is for $61,100.00.

Funding: General Capital Improvement Funds (Allotment No. 287.00 - TSM Intersection Improvements).

Clearances: The contract has been reviewed by the City Attorney and approved by appropriate City staff.

A map is attached.

Attachment No. 9

CONTRACT AMENDMENT

15. Recommend approval of Amendment No. 1 to the contract for engineering services with Hazen and Sawyer, P.C. for the 250 million gallon raw water reservoir at the Walter M. Franklin Water Treatment Plant for additional work associated with a change in project scope. Amount not to exceed $98,000.00.

Background: In September 1985, the City entered into a contract with Hazen and Sawyer, P.C. for the design and construction administration services for the 250 million gallon raw water reservoir at the Walter M. Franklin Water Treatment Plant.

Additional services required: During the course of design, design services beyond the original scope of work were necessary to locate additional sites for borrow material (fill dirt). Meetings, site visits, subsurface investigation and contract drawings were necessary.

It was also necessary to add additional piping design to the reservoir contract to make future plant expansions easier to construct.

Recommendation: It is recommended that Council approve Amendment No. 1 to the contract with Hazen and Sawyer in an amount not to exceed $98,000.00.

Funding: Funds are available for this work in project contingency, Fund 2071 - 636.28.

Clearances: Utility Director.

CONTRACT AMENDMENT/BUDGET ORDINANCE

16. Recommend approval of an amendment to the contract with Bio Gro Systems, Inc. to remove and land apply sludge from polishing pond at McAlpine Creek Plant, and adoption of a budget ordinance to appropriate $573,400.00 for the contract amount.

Background: Over a period of years since construction, solids have built up in the effluent polishing ponds (part of the sewage treatment process) located at the McAlpine Creek Wastewater Treatment Plant. The level of these solids has reached the point that the lagoons can no longer perform as designed and solids accumulation must be removed. We are currently under directive from the Division of Environmental Management to expedite the removal of the solids so that the two lagoons at McAlpine can again function as designed.

Amendment: This amendment will provide for the removal and application on land of sludge from one of the two lagoons. Concurrent with this operation, CMUD will be removing and dewatering sludge from the second lagoon.

This contract amendment provides for a unit cost for each cubic yard of sludge removed and for each gallon that is applied to the land in liquid form.

Adoption of the budget ordinance will appropriate $573,400.00 for this contract amendment.

Funding: Funds for this budget ordinance are available in the Water/Sewer Unappropriated Operating Fund Balance.

Clearances: Utility Director.

17. Recommend approval of Amendment #4 to the landscape architectural contract with DPR Associates for $75,800.00 for design and construction management services for Reedy Creek Park.

Background on Reedy Creek Park: Reedy Creek is a 699 acre park with the majority of the park maintained in its natural state. Portions of the park that have been funded and developed include picnic facilities, athletic field areas, three lakes, nature trails and a maintenance facility.

In the FY89 budget, City Council approved the appropriation of the remaining 1987 Parks and Recreational Facility Bonds for Reedy Creek Park. These funds are programmed for the design and construction of an environmental center with related roadways and parking, and a multi-use meadow which is located near a lake and will have picnic facilities, children's play area, volleyball and disc golf facilities, and a large lawn area for passive recreation.

ITEM NO.

Funding: Funds for this work are available in the project budget, Allotment #702.00, Fund #2010.

Clearances: Parks and Recreation and the Engineering Department concur with this request.

18. Recommend approval of an amendment of $300,000 to Odell Associates Inc's architectural contract for the Coliseum.

Background: In December, 1984, the architectural contract for the new Coliseum was awarded to Odell Associates, Inc. During the design process, the architect incurred costs related to redesign required by the City to improve operating procedures of the building, new work resulting from our decision to fast track the project in order to stay on schedule, and the six-month extended construction phase. In each case, the extra work resulted in a cost saving to the construction or was necessary to obtain all required permits.

Claims: The architect submitted a claim for the extra work in April, 1987, but did not quantify all of it. We stated at that time that we felt contractually obligated to pay only a portion of their claim. In December, 1987, they submitted a second claim of approximately $950,000 for work related to their base contract. We have negotiated what we feel is a fair settlement and recommend that Council award the architect a lump sum of $300,000 for all claims related to Basic Services. The additional claims can be absorbed by not charging Engineering staff time to the Coliseum bond project. This may result in Engineering not being able to recover all budgeted departmental charges in 1988-89.

This claim does not include amenity related items. These items are being reviewed and handled separately; all amenity costs are covered by revenue derived from advertising and skybox revenue.

Recommendation: This action will approve a $300,000 settlement to Odell Associates, Inc. for Basic Services related claims. The architect has signed a letter agreeing to this settlement.

Source of Funds: Funds are available in the project account (fund 2010, account 255.)

Clearances: Reviewed and approved by appropriate City staff.

ITEM NO.

19. Recommend approval of an amendment of $70,000 to Turner Construction Company's contract for staff costs related to the amenities at the new Coliseum.

Background: In June, 1985, Council awarded a contract for construction management services at the new Coliseum to Turner Construction Company. In September, 1987 and March, 1988, Council approved agreements with the Coliseum Authority and the Charlotte Hornets adding an NBA locker room, skyboxes, tile flooring, an entrance canopy, and a new scoreboard to the building. To accommodate this additional construction, Turner increased on-site staff for quality control and management personnel to insure the amenities would be completed in time for the opening. We are contractually obligated to pay for this staff at rates contained in Turner's contract. These costs are being monitored by the Engineering Department. Per the terms of the contract, we are presently negotiating the fee associated with this amenity package, which is in addition to the staff costs. Upon completion of those negotiations and a review by the Authority and the Hornets, it will be submitted to Council for approval.

Recommendation: Approve an amendment of $70,000 to Turner Construction Company for staff costs related to the amenities.

Funding: Funds were appropriated for this work in the March 14, 1988 tri-party agreement for the amenities package and are available in the project account. Costs for all amenities are offset by revenues from advertising and skyboxes.

Clearances: Reviewed and approved by appropriate City staff.

CHANGE ORDERS

20. A. Recommend approval of Change Order No. 1 for mechanical construction contract of Piedmont maintenance facility fire pump house for $85,894.00.

Contract - Piedmont Maintenance Facility, Fire Pump House, Fire Loop and Foam Fire Suppression System

Contractor:	Mechanical Industries, Inc.
Date of Award:	January 25, 1988
Original Contract Amount:	$1,824,955.00
Change Order No. 1:	85,894.00
New Contract Amount:	$1,910,849.00

This change order will allow for additional requirements of the insurance underwriter for USAir.

Funding: Funds are available in the Special Facilities Construction Fund.

Clearances: Odell Associates, Inc., architect, Day and Zimmermann, Inc., project manager, and USAir concur in this change order.

B. Recommend approval of Change Order No. 2 to construct Airport parking structure and commercial lane, increasing total contract amount by $49,539.00.

Contractor:	Metric Constructors, Inc.
Date of Award:	July 27, 1987
Contract Amount to Date:	$16,562,129.00
Change Order No. 2:	$ 49,539.00
New Contract Amount:	$16,611,668.00

This change order is primarily for installation of two sign bases, lighting piers along elevated roadway and changes in numerous manholes due to obstructions which were not indicated in the original construction drawings.

Funds: Funds are available in project contingency to cover this change order.

Clearances: Odell Associates, architect, and Day and Zimmermann, Inc., project manager, concur in this change order.

C. Recommend approval of Change Order No. 3 to the general construction contract of Airport parking structure and commercial lane for $42,004.

Contract: General Construction Contract for Parking Structure and Commercial Lane

Contractor:	Metric Constructors, Inc.
Date of Award:	July 27, 1987
Contract Amount to Date:	$16,611,668.00
Change Order No. 3:	$ 42,004.00
New Contract Amount:	$16,653,672.00

Items covered by this change order are:

- Removal of unsuitable material and backfilling with compacted sand.
- Removal of unsuitable soil and backfilling with concrete.

Funds: Funds are available in the project contingency to cover this change order.

Clearances: Odell Associates, architect, and Day and Zimmermann, Inc., project manager, concur in this change order.

RESOLUTION

21. Recommend adoption of a resolution amending Council's previous resolution approving the Municipal Records and Disposition Schedule issued by the Division of Archives and History.

Background: On September 24, 1984, City Council adopted a resolution approving the Municipal Records and Disposition Schedule issued by the Division of Archives and History in Raleigh in order to eliminate the necessity for City departments to get Council's permission each time they needed to dispose of documents.

Explanation of Request: There has been confusion in some departments about destruction of original paper records that have been duplicated. Adoption of the attached resolution will place on record Council's agreement to the destruction of the original paper records providing all the criteria outlined in the resolution are followed by City departments.

Funding: No funds involved.

Clearances: City Clerk; City Attorney.

Attachment No. 10

STORM DRAINAGE REPAIR

22. Recommend adoption of a resolution to repair the storm drainage system in the 200 block of Hillside Avenue and assess a portion of the cost to the involved property owners in accordance with the storm drainage repair policy.

Location of Drainage Problem: 247 and 251 Hillside Avenue.

Ranking: High Priority.

Improvements to be Made: Replacing approximately 225 feet of damaged 24-inch and 30-inch pipe with 42-inch reinforced concrete pipe.

Total Estimated Cost of Repairs: $56,700.

City's Cost: City pays for all improvements in the street right of way ($39,900) and four-fifths on private property ($13,440).

Involved Property Owner(s) Cost: One-fifth of improvements on private property ($3,360).

Hearing Requirements: No public hearing is required since all involved property owners signed the petition.

Funding: Storm Drainage Repair Account.

Clearances: Engineering Department.

A copy of the storm drainage repair policy is attached.

Attachment No. 11

REHABILITATION LOAN

23. Recommend approval of a loan agreement with Gloria G. Moss for $53,684 to purchase a home at 247 W. Kingston Avenue.

Background: Gloria G. Moss made application for financial assistance to purchase a home at 247 W. Kingston Avenue. The total loan amount to purchase the house is $53,684. The appraiser estimates the value of this property to be $65,000.

Mrs. Gloria Moss and her family of 12 children and grandchildren came onto the relocation workload on January 26, 1987 as a result of a fire that destroyed the house where they were living. According to HUD regulations, the family at that time required an eight-bedroom house and were unable to split the family since none of the children were of legal age nor capable of managing a separate household.

In April, 1987, the family was temporarily placed in a City-owned four bedroom house while staff searched for a permanent solution to their housing need. Several housing plans made at various times during the past 14 months have failed to materialize. One daughter is now old enough and has agreed to move with her two children to a separate unit utilizing a Section 8 subsidy. The remaining household members now require a six bedroom unit.

Staff has determined that the structure at 247 W. Kingston Avenue will meet the needs of this family while the Deferred Payment Loan makes it economically feasible to acquire. Under the Rehabilitation Program approved by City Council on October 12, 1987, a homeowner is to pay no more than 35% of their household income toward housing expense. An analysis of Mrs. Moss' household income and projected housing expenses if she purchases this property is as follows:

Household Income	$596.00 per mo. (AFDC)
	x 35%
Amount available for housing expense	$208.60
less the following expenses:	
Insurance	25.00
Real Estate Taxes	52.00
Utilities	119.00
Est. Maintenance	61.00
	(-48.40)

Based on this analysis, Mrs. Moss qualifies for a Deferred Payment Loan because the housing expense exceeds 35% of her household income. The Deferred Payment Loan will be repaid upon the death of the owner or the sale of the property. A lien of $53,684 will be placed on the property. This will regenerate our loan funds for future needs for lower-income families.

Other alternatives considered: 1) As a displacee, Mrs. Moss is entitled to a Last Resort Grant whereby the City could buy the house for the family. However, once that was done the City would be unable to get a return on their investment as is possible with the Deferred Payment Loan; 2) The City could buy the house and rent it to Mrs. Moss, but based on the federal regulations for relocatees, she would pay very little rent and the City would be responsible for the maintenance and repair of the unit.

The rehabilitation assistance is as follows:

Borrower	Property Address	Loan Amount	Term	Interest Rate	Type Of Assistance
Gloria G. Moss	247 W. Kingston Ave.	$53,684	N/A	0%	DPL

A summary of the Rehabilitation Loan Program is attached.

Funding: Community Development Block Grant Funds.

Clearances: The loan application has been reviewed by the Community Development Department, and all criteria to qualify for financial assistance have been met by the applicant in accordance with the requirements outlined in the Community Development Standard Rehabilitation Loan and Grant Program.

Attachment No. 12

UTILITY CONTRACTS

24. Recommend approval of contracts between the City of Charlotte and the applicants listed below:

These are extension contracts for new development in accordance with the Water/Sewer Extension Policy. The applicants are to construct the entire systems at their own proper cost and expense. The City is to retain all revenue. There is no cost to the City and no funds are needed. Utility and Planning Directors recommend approval.

1. Squires Homes, Inc., to construct 565 linear feet of 8-inch water main, 1,375 linear feet of 6-inch water main and 1,385 linear feet of 2-inch water main to serve Shepherd's Vineyard Phase V Subdivision, located west of Old Statesville Road, east of U.S. Highway 21 and south of Stumptown Road, outside the Charlotte City Limits. Estimated Cost - $55,000.00. Water Contract No. 100-88-039.

2. Harrington/Dowd Realty Company, to construct 4,994 linear feet of 8-inch sanitary sewer main to serve Berwick Subdivision, located south of Endhaven Lane, north of Providence Road West and west of Elm Lane, outside the Charlotte City Limits. Estimated Cost - $174,825.00. Sanitary Sewer Job No 100-88-556.

3. Matthews-Heathers Land Corporation, to construct 1,601 linear feet of 8-inch sanitary sewer main to serve Cheshunt Subdivision, Phase 2-B, located west of Browne Road, north of David Cox Road and south of Hucks Road, outside the Charlotte City Limits. Estimated Cost - $56,035.00. Sanitary Sewer Job No. 100-88-566.

4. Matthews-Heathers Land Corporation, to construct 2,832 linear feet of 8-inch sanitary sewer main to serve Cheshunt Subdivision, Phase 2, Section A, located north of David Cox Road and west of Browne Road, outside the Charlotte City Limits. Estimated Cost - $99,120.00. Sanitary Sewer Job No. 100-88-554.

5. Crow Miller #2, to relocate 1,063 linear feet of 8-inch sanitary sewer main to serve The Arboretum West, located south of N.C. Highway 51, north of Willow Point Drive and east of Raintree Lane, inside the Charlotte City Limits. Estimated Cost - $37,205.00. Sanitary Sewer Job No. 100-88-558.

PROPERTY TRANSACTIONS

25. Recommend adoption of the following condemnations:

A. Recommend adoption of a resolution of condemnation for 5,099.51 square feet (0.117 acres), at 8503 Pine Thicket Court - Pineville, N.C. 28134, from Falcon Ridge Condo No. 1, c/o Mr. David Kale and any other parties of record, for $1,800.00, for the NC Highway 51 Widening - Phase II.

Property owner refused to accept City's offer based on appraisal; declined to make any counter offer. This is for temporary construction easement.

B. Recommend adoption of a resolution of condemnation for 1,678.40 square feet (0.0385 acres), temporary construction easement, at 10700 Blue Heron Drive, from Velma R. Anthony Loftis and any other parties of record, for $2,150.00, for the NC Highway 51 Widening - Phase II.

Property owner refused to accept City's offer based on appraisal; declined to make any counter offer. This is for temporary construction only.

SET EXECUTIVE SESSION

26. Recommend adoption of a motion to hold an executive session on Monday, August 1, at 4:00 p.m. in the CMGC for the purpose of discussing with the City Manager his performance objectives for the upcoming year and to discuss the City Manager's evaluations of employees in the Senior Management Pay Plan as permitted by the State Open Meetings law.

27. Recommend accepting $257,484.57 from the Authority and appropriate the same to the Coliseum Account for approved amenities.

This ordinance will appropriate funds for the remaining commitment of scoreboard amenities and a television link.

Funding: Funds of $257,484.57 will be appropriated to the Capital Improvement Fund 2010; 255.00 Charlotte Coliseum Construction.

Clearances: Engineering; Budget and Evaluation; Finance.

- ANNOUNCEMENT -

In meeting on Monday, August 22, 1988, City Council will make nominations for appointment to the following boards and commissions:

1. Youth Involvement Council Advisory Board - Two positions for two-year terms.

2. Charlotte Uptown Development Corporation - Two positions for three-year terms, on in the Business category and one in the Non-Profit Organizations category.

3. Community Facilities Committee - Two positions for two-year terms. One incumbent is eligible for reappointment.

4. Taxicab Review Board - Two positions for three-year terms. One incumbent is eligible for reappointment. The open position must be filled by an operating permit holder or his designee.

5. Sister Cities Committee - One position to fill an unexpired term ending April 5, 1990.

- SCHEDULE OF MEETINGS -
July 11 - 15, 1988

Monday, July 11	COUNCIL/MANAGER DINNER CITIZENS HEARING COUNCIL MEETING Carmel Junior High School	6:00 p. m. 7:00 p. m. 7:30 p. m.
Thursday, July 14	PLANNING AND PUBLIC WORKS COMMITTEE City Hall, 2nd Floor Conference Room	4:00 p. m.