# AGENDA

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| Meeting Type. | WORKSHOP |
| Date: | 07/02/1987 |
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City of Charlotte, City Clerk's Office

CHARLOTTE

Mayor Harvey B. Gantt  Mayor Pro Tem Al Rousso

Charles S. Dannelly  Cyndee Patterson
Gloria Fenning  Pamella G. Patterson
Ann Hammond  Minette Conrad Trosch
Ron Leeper  Richard Vinroot
Roy Matthews  Velva W. Woollen

# Council Agenda

Special Council Meeting
Thursday, July 2, 1987
City Hall Annex
Training Center

4:00 PM. . . . . Council Meeting
4:15 PM. . . . . Workshop on Airport Master Plan

ITEM NO.

1. Invocation.

BUSINESS

2. Award contracts not to exceed $175,000 to Eastern Engineering for quality control testing for Concourse B Ramp Expansion and other high priority airfield improvements.

On June 22, 1987 City Council accepted a Federal Aviation Administration grant in the amount of $4,635,000 to provide Federal funding for 75% of the project costs for Concourse B ramp expansion and other airfield improvements. In a companion action Council also awarded the construction contract to the low bidder for these high priority airport projects. Proposals were requested for Quality Control Testing services for these airport projects in a public advertisement on June 5, 1987. Proposal forms were mailed to four firms with previous experience in the required testing and quality control procedures. Eastern Engineering, Froehling and Robertson, Inc., Law Engineering Testing Company, and Soil and Materials Engineers, Inc. submitted proposals for this work. The project engineering firm, Talbert, Cox, and Associates reviewed the proposals and determined that Eastern Engineering's proposal best meets the City's and Federal Aviation Administration's requirements and is the most economical.

Council is requested to award this contract for professional services to Eastern Engineering on a unit price basis not to exceed $175,000. Eastern Engineering is a certified MBE firm in the Airport Data Bank.

Council has previously appropriated Federal and Airport funds to cover this work.

3. Adopt an ordinance appropriating the proceeds of the Special Facility Airport Revenue Bonds Series 1987 and the anticipated investment income totaling $73,125,000 for the construction of aircraft maintenance and related facilities for Piedmont Aviation, Inc. and compliance with reserve and capitalized interest account requirements.

Council is requested to adopt an Ordinance appropriating the proceeds from sale of Special Facility Airport Revenue Bonds, Series 1987 and projected investment income totaling $73,125,000. These revenues will be used to finance the administration and issuance requirements governing the 1987 Airport Special Facility Revenue Bonds, and the construction of the aircraft maintenance hangar, training facility, stock distribution center and associated facilities, equipment and improvements found in the Special Facility Lease between Piedmont Aviation, Inc. and the City dated as of March 1, 1987. In a companion action Council is requested to award contracts for construction of the training and stock distribution facility.

The sum of $73,125,000 is estimated to be available from the following sources of revenue:

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| 1987 Airport Special Facility Revenue Bond proceeds - | $67,000,000 |
| Projected Investment Income - | +6,125,000 |
| Total | $73,125,000 |

The Airport and the City's Finance Director concur in this action.

4. Adopt an ordinance appropriating Airport Funds in amount of $583,000 to cover additional revenue bond issuance cost associated with recent issue of $75,880,000 in Series 1987 Revenue Bonds and $67,000,000 in Special Facility Revenue Bonds.

On April 6, 1987, Council approved the issuance of up to $90 million in Series 1987 Airport Revenue Bonds for the construction of additional facilities at the Airport. Subsequently, on May 11, 1987, Council approved the issuance of up to $75 million in Special Facility Airport Revenue Bonds to construct a Special Facility for Piedmont Airlines. The City incurs two basic elements of cost upon the issuance of bonds; namely: 1) the underwriters discount, and 2) those costs paid directly by the City. The primary component of the underwriters discount is the selling commission charged by the salesmen who actually sell the bonds, in addition to other reimbursable costs (i.e. computer time, travel time and legal costs). Costs incurred directly by the City include such items as financial advisory fees, bond counsel fees and others.

Typically, bond issuance costs are paid from bond proceeds after the closing on the bond issue. Due to changes in the 1986 tax laws, a limitation was placed on the amount of such costs which could be paid from bond proceeds on certain types of issues, including Airport bonds. The limitation is an amount equal to 2% of the issue size.

After paying the underwriters cost, the City was left with $280,000 and $137,000 on the two issues to pay the remaining issuance cost without exceeding the 2% legal limit. The estimated cost of issuance incurred by the City on the Series 1987 Bonds is $550,000 and $450,000 on the Special Facility Bonds. Consequently, the City has an overall shortage of $583,000 required to fund the total issuance cost for both bond issues.

Council is requested to adopt an ordinance appropriating $583,000 from Airport Fund Balance. This additional appropriation will be alocated to various Airport cost centers and fully recovered through future rates and charges.

The Airport Manager and the City's Finance Director recommend these actions.

5. Consideration of a request from the Salvation Army: 1) A motion to approve a City grant to the Salvation Army to fund a Year Round Homeless Shelter; and 2) Adoption of a budget ordinance providing $26,667 for the grant.

At the June 22, 1987 Council Meeting, Father Eugene McCreech, St. Peter's Catholic Church, and Major Fred Musgrave, Salvation Army, asked the City to contribute $26,667 toward the funding of a Year Round Homeless Shelter.

The Salvation Army has operated a Winter Shelter with assistance from the County and private funding. Several agencies cooperatively have identified the need for a year-round shelter to be operated by the Salvation Army. The United Way Human Services Planning Committee is preparing a report on Homeless and Shelter programs which will be ready in July.

The request made on Monday, June 22, 1987 is to provide funding of $80,000 for the opeation of a shelter prior to the opening of the Winter Shelter. The $80,000 would fund basic operations (i.e. salaries, food, laundry, paper supplies). However, this amount does not include expenses for rent or utilities because no location has been identified for either a Winter or year-round shelter.

The Salvation Army is seeking a three-way matching grant from Mecklenburg County, the City of Charlotte, and the private sector of $80,000 total or $26,667 each from the three groups. If Council agrees to fund this request, it can be with the condition that funding is available as a one-time grant and is not a commitment for further funding of a permanant, year-round shelter.

Council is requested to consider participation in a three-way grant (City, County, private) to fund partial operating expenses for a Year Round Homeless Shelter to be operated by the Salvation Army.

If approved, Council is requested to adopt a budget ordinance appropriating General Fund Contingency Funds in the amount of $26,667 as a contribution for expenses.

The ordinance appropriates General Fund Contingency in the amount of $26,667 to General Fund Non-Departmental for the Salvation Army Year Round Homeless Shelter. The General Fund Contingency available balance is $338,805.

Budget and Evaluation and the City Attorney concur in this recommendation.

BID LIST

6. 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. General Contract for Piedmont Maintenance Facility, Crew Training/Ground Equipment and Stock Distribution Center — Airport

Recommendation: The Airport Manager recommends that the low bid from Carlson South East in the amount of $5,630,100 be accepted for award for contract on a lump sum basis.

Project Description: Under the terms of Special Facility Lease Agreement City has agreed to the construction of Piedmont Maintenance Facility consisting of Crew Training, Stock Distribution, and Maintenance Hangar Facilities.

This contract provides all labor, material and equipment for General Construction work for proposed Piedmont Maintenance Facility Crew Training/Ground Equipment and Stock Distribution Center.

Source of Funding: Airline Maintenance Facility Captial Projects Fund - (Piedmont Maintenance Facility) - $55,096,519. NOTE: Bid item contingent on ordinance appropriating $52,231,000 to 2081;524.00.

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B. Electrical Contract for Piedmont Maintenance Facility, Crew Training/Ground Equipment and Stock Distribution Center — Airport

Recommendation: The Airport Manager recommends that the low bid from Howell Electric in the amount of $696,330.00 be accepted for award of contract on a lump sum basis.

Project Description: Under the terms of Special Facility Lease Agreement, City has agreed to the construction of Piedmont Maintenance Facility consisting of Crew Training, Stock Distribution and Maintenance Hangar Facility.

This contract provides all labor, material and equipment for Electrical Construction work for proposed Piedmont Maintenance Facility, Crew Training/Ground Equipment and Stock Distribution Center.

Source of Funding: Airline Maintenance Facility Captial Projects Fund - (Piedmont Maintenance Facility) - $55,096,519. NOTE: Bid item contingent on ordinance appropriating $52,231,000 to 2081;524.00.

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C. Gate 17 Road Extension from Express Drive to Terminal Road, Charlotte/Douglas International Airport — Airport

Recommendation: The Airport Manager recommends that the low bid from Blythe Industries, Inc. in the amount of ~~$432,414.50~~ be accepted for award of contract on a unit price basis. $432,654 50

Project Description: This contract will provide improved access from Terminal Road to Express Drive for Dobbs Catering, Piedmont Maintenance, and various air cargo tenants.

This contract will provide improved access from Terminal Road to Express Drive for Dobbs Catering, Piedmont Maintenance, and various air cargo tenants.

Source of Funding: Airport Capital Improvement Fund - (Air Cargo Development) - $636,651.

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D. Mechanical Contract for Piedmont Maintenance Facility, Crew Training/Ground Equipment and Stock Distribution Center — Airport

Recommendation: The Airport Manager recommends that the lowest responsive bidder, Mechanical Industries, with a bid of $934,250.00 be accepted for award of contract on a lump sum basis. The low bidder, Beta Construction, did not meet the minimum MBE criteria required at the time of bid opening.

Project Description: Under the terms of Special Facility Lease Agreement City has agreed to the construction of Piedmont Maintenance Facility consisting of Crew Training, Stock Distribution, and Maintenance Hangar Facilities.

This contract provides all labor material and equipment for mechanical construction work for proposed Piedmont Maintenance Facility, Crew Training/Ground Equipment and Stock Distribution Center.

Source of Funding: Airline Maintenance Facility Captial Projects Fund - (Piedmont Maintenance Facility) - $55,096,519. NOTE: Bid item contingent on ordinance appropriating $52,231,000 to 2081;524.00.

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E. Time and Material General Construction Contract for miscellaneous renovations to the existing Terminal Facilities — Airport

Recommendation: The Airport Manager recommends that the low bid from the Linda Construction Company be accepted for award of this contract based on a Time and Material Agreement for a period of one year for a not-to-exceed sum of $250,000.

Project Description: Due to frequent requirement of tenants for renovation and alterations in existing terminal/facilities this contract will allow for changes to be accommodated in a more timely manner.

O. Wendell White
City Manager

Memo No. 51

July 1, 1987

AGENDA NOTES

Special Council Meeting - July 2, 4:00 p.m., Training Center

On Thursday at the special Council meeting, a presentation on the NBA upfit for the new Coliseum will be made by the architect, Odell Associates, and George Shinn. This is to bring you up to speed on what is happening, and allow your comments on the direction that is being taken. Concepts to be discussed include the new building for ticket sales, office space to serve the NBA, and the possibility of sky boxes in the arena. No formal action will be required at this time.

Addendum - Item 6F

The July 2 agenda recommends bid awards for the general, electrical and mechanical contracts for the Piedmont maintenance facility, crew training/ground equipment and stock distribution center. The following plumbing contract recommendation was inadvertently left off the agenda:

Plumbing Contract for Piedmont Maintenance Facility, Crew Training/Ground Equipment and Stock Distribution Center — Airport

Recommendation: The Airport Manager recommends that the low bid from All South Mechanical in the amount of $479,700.00 be accepted for award of contract on a lump sum basis.

Project Description: This contract provides all labor material and equipment for plumbing construction work for proposed Piedmont maintenance facility, crew training/ground equipment and stock distribution center.

Source of Funding: Airline Maintenance Facility Capital Project Fund (Piedmont Maintenance Facility - 1987 Special Facility Revenue Bonds) - $52,615,555.

Addendum - Item 7

Recommend approval of a loan agreement for $109,200 between the City and Eric Cunningham and Jimmie Cunningham d/b/a Quick Stop Convenience Store/ Cunningham Hair Design for the purchase and renovation of a business structure and to provide funds for the purchase of equipment, furniture, fixtures, inventory and allowance for working capital.

Quick Stop Convenience Store/Cunningham Hair Design is a new business that will be located at 2601 Tuckaseegee Road. The owners, Eric and Jimmy Cunningham, recognized the need for a convenience store/hair salon operation in this area as some of the other retail operations in the area do not offer the quality that they deem necessary. As a result, they feel that they have an excellent opportunity to gain a more than fair market share of the business available in the area. The proposed business will enhance the area and provide a variety of jobs to the Tuckaseegee Community residents.

The convenience store will be operated by Eric and Jimmy Cunningham and will be open 24 hours per day. Management of the hair salon will be the primary responsibility of Jimmy Cunningham.

Project Description:
The project involves the purchase of an existing business structure located at 2601 Tuckaseegee Road for renovation and use as a convenience store and hair salon. The structure contains approximately 2,044 sq. ft. with approximately 1,340 sq. ft. to be used for the convenience store and 704 sq. ft. for the hair salon. In addition to the retail sale of groceries, the convenience store will also offer gasoline and rental of video home movies.

Source of Funds:

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| North Carolina National Bank | $136,500 | (50%) |
| City of Charlotte | 109,200 | (40%) |
| Cash Contribution by Borrowers | 27,300 | (10%) |
| Total | $273,000 | |

Term of the Loan:
The loan from NCNB will be for $136,500 at an interest rate of 13% for a term of 15 years with a five year balloon payment. The loan applicants are requesting a loan from the City of Charlotte for $109,200 at 6% interest per annum amortized for a term of 15 years with a five year balloon payment. The loan is being requested in this manner to keep the monthly payments at a manageable level.

Security:
The NCNB loan will be secured by a first deed of trust on the land and building located at 2601 Tuckaseegee Road, which has an after-renovated value of $197,300, and a first lien on equipment and inventory.

The City loan will be secured by a second deed of trust on the land and building located at 2601 Tuckaseegee Road and a second deed of trust on property located at 6310 Hidden Forest Drive, Charlotte, N. C. The City loan will also be secured by a second lien on equipment and inventory. It is possible the City would have $13,200 unsecured; however, the appreciated value of the land and building coupled with principal reduction of the loan over a short period of time, will cover this unsecured portion.

Public Purpose:
It has been determined that the proposed project is eligible for City financial participation as it meets the objectives of job creation, revitalization of a potentially blighting influence (structure is vacant), and expansion of the tax base. Eight jobs will be made available to individuals from low to moderate income households. These jobs are as follows:

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| 3 | Cashiers |
| 2 | Stock/Cashier/Gas Attendants |
| 2 | Video Attendants |
| 1 | Receptionist (for hair salon) |
| 8 | Total |

Funding will be from the Economic Development Revolving Loan Fund.

The Economic Development Revolving Loan Fund Committee approved the loan on June 18, 1987.

Agenda Correction - Item 6C

The low bid recommendation for Gate 17 road extension from Express Drive to Terminal Road should have read $432,654.50 not $432,414.50.

INFORMATION REPORTS

Update on Animal Control Services to Small Towns

In a previous Council/Manager memo, I advised you of a staff review of the charges to other Mecklenburg County towns for Animal Control services. Currently, the towns of Davidson and Matthews receive leash law enforcement in addition to the basic level of service all Mecklenburg towns receive. The current charge for this service is $322 per month to each of the two towns.

A request from the Town of Cornelius has been submitted to receive leash law enforcement also. This request has required a review of these charges because an additional Animal Control Officer would have to be added to provide service if more than two towns received the service. The revised cost was calculated to be $908 per month to each town.

After consideration of the increased charges, the Town of Davidson has withdrawn its request to receive leash law enforcement. Because providing service to only two towns will not require an additional officer, charges will drop from the $908 per month cost; however, a review of the costs of these services completed this week indicates that the cost will rise from $322 per month to $711 per month month to each town.