

COMMITTEE AGENDA TOPICS

I. Subject: Energy Strategy

Action: This action was included in Council's FY14 Economic Development Focus Area Plan. The purpose of the strategy is to determine the appropriate role for the City in supporting and accelerating the economic growth of energy-related companies and suppliers in Charlotte. On April 17, 2014, the Committee discussed a framework for the development of the strategy. On July 2, 2014, a representative of ER Carolinas, Inc. presented an update on the state of the energy industry in Charlotte and the Carolinas. At today's meeting, staff will present a draft strategy for the Committee's consideration. If ready, the Committee may make a recommendation to the full Council for consideration at a future business meeting.

II. Subject: Business Investment Grant Program

Action: The Business investment Program was created in 1998, in partnership with the County, to encourage the attraction, retention and/or expansion of businesses and jobs. During the meeting held on July 2, 2014, staff shared an overview of the program, including an update on its performance to date. At today's meeting, staff will respond to questions/comments posed by Committee Members at the July 2nd meeting, as well as seek additional feedback from the Committee on which potential program enhancements merit further research. No action is required.

III. Next Meeting Date: Thursday, September 4, 2014, at Noon, Room CH-14

COMMITTEE INFORMATION

Present: Michael Barnes, Vi Lyles, Al Austin, Claire Fallon and LaWana Mayfield
Time: 2:00 p.m. – 3:30 p.m.

ATTACHMENTS

1. Energy Strategy Update Presentation
2. Draft Energy Strategy Handout
3. Business Investment Grant Program Presentation

DISCUSSION HIGHLIGHTS

Chairman Barnes welcomed everyone to the meeting and asked them to introduce themselves. We have two agenda items today, a revisit of the Energy Strategy and a discussion of our Business Investment Grant Program. Mr. Manager, I will invite you to make any comments you want to make and then turn it over to Mr. Phocas.

Kimble: Both of these are part two for each one of them; you've seen the initial presentation on the Energy Strategy and Rob Phocas is going to dive a little deeper in that for you and invite your

questions. The goal will ultimately be to come out with a City role in Energy Strategy and this is the second meeting; we'll probably need a third to figure out if that's indeed a preferred direction and the same with the Business Investment Grant; the second item on your agenda. This is part two; we've rolled out some history of the program and Pat Mumford is going to give you some additional information; review a little bit of what you heard last time and then kind of give you some food for thought and let you comment on it and give direction if the meeting is to your liking.

I. Energy Strategy

Phocas: This is the third time I've had the pleasure of talking to you about our Energy Strategy. The first time we did the framework and last time we had a representative from E4 Carolinas come and talk to you about what their group is doing and just in general what's happening with the energy cluster. This time, I'm going to give you an overview of the draft Energy Strategy which you should have in front of you so we can run through this and then we will have time for questions.

Just to remind you what were some of the key questions that we were looking to answer as part of this process; what can the City do to best support the economic growth of energy-related companies that are part of the energy cluster that are here? What we do to attract investment of energy-related companies and energy suppliers and then finally what public policy decisions will allow the City to lead by example. The strategy that you have before you has several objectives and the main objective is to strengthen our position as an energy cluster and really to define what we as a City can do to help strengthen and grow the energy cluster. A few of the policy objectives; we want to attract and keep energy related enterprises and entrepreneurs in Charlotte and the Charlotte area, we want to attract more venture capital into Charlotte based companies, which overlaps with some of the other priorities, we're looking to leverage partnerships for business and workforce development, become a laboratory for new technologies and financing mechanisms and to increase the amount of Federal research dollars that come into the Charlotte area in our universities like UNC Charlotte.

The framework and the components that you will see in the strategy are generally divided into these five categories: Develop a communications plan for the Mayor and City Council to look for opportunities to really be champions, to speak about the energy company both locally, nationally and internationally if the opportunity should arise. Look at promoting our facilities and operations as a place for new technologies to really be tested. If you remember for example, we talked about the pilot project we did out at the Airport with the LED lighting on the upper level with the spot lights on Queen Charlotte. We're working with Duke Energy right now on part of the Fire Stations and how to integrate solar into that. We have a lot of good examples, but there is a lot more we could be doing. Then looking to leverage local, national and international partnerships for energy-related business development. A lot of companies from across the globe, energy led companies are looking to come to Charlotte and I think there is a great role we could play there. Look at alternative financing tools for energy efficiency and then finally look at leveraging partnerships for Workforce Development.

Mayfield: Thinking about the conversations we had on Duke Energy, are we also going to have that conversation with other power companies or with solar companies that we can diversify how energy is being used so to that all of our eggs aren't in particularly one basket with Duke?

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Phocas: Yes, one example, Piedmont Natural Gas; we've had conversations with Piedmont and I will give you an example of one partnerships that we are a part of, a deal and grant opportunity looking to build on the fire stations. The idea is if there were to be a national disaster how do we keep critical resources going like fire stations or police stations or whatever it may be. You look to create a micro grid so the bigger grid goes down into the smaller grid. We've partnered with Siemens, EPIC at UNC Charlotte, Piedmont Natural Gas, Duke University to put in an application that would look at what renewable resources could we do to create this micro grid at the end of McAlpine solar, but then we have McAlpine Waste Water Treatment Plant which has nothing coming in so how could we take from that. That is one example, but we are always looking for opportunities to use renewal of energy facilities and for example solar. We are looking at putting solar at some of our Waste Water Treatment Plants; we are in the process of doing that and then geothermal energy is something that Engineering & Property Management piloted a few years ago and has been very successful and now they are looking to put it in new facilities as well.

Phocas: Next Steps – Obviously I'm here to address any questions or concerns that you have; give you an opportunity since this is the first time you've seen it, to really look at the strategy and come back to the next meeting with more questions, comments, edits or whatever you like. Hopefully at the next Committee meeting, if appropriate have you recommend the strategy.

Barnes: Any questions about these five bullet points here, for the strategy components? Anything that should be added or tweaked?

Fallon: How could we take care of the birds that the solar energy kills? It is a problem because it is not a few it is thousands. It's got to be some way to deflect that energy where it doesn't go up and kill birds?

Phocas: I suspect the article is talking about a very large scale and I don't think ours would reach that magnitude, but it obviously has become a concern.

Fallon: I know the ___society was very upset about it because it is not a few, it is thousands.

Phocas: I think we would not be putting them in; it would be eight per inch that those arms would replace.

Fallon: Can they be put on top of buildings?

Phocas: Yes. The first project we did was at the Airport. The CLT Center, which is the building next to the business valet, has a roof method system up there. They tend to be more expensive than ground mounted. One of the reasons they tend to be more expensive is not only the structure for it and the painting and conduit, but you often have to replace the roof when you do it because once you put the solar up there, you don't want to have to go back up and take it all off to replace a roof. You usually have the additional costs replacing the roof of original roof top solar. The cost of the solar panels themselves has really dropped in the past couple years and have continued to drop and have become a lot more efficient.

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Fallon: In Turkey, it was amazing; every little building, every little shack and I think I put it in that report has that 10-gallon tin can up there and the solar thing. The meanest houses so they generate their own. It's amazing to see.

Barnes: Ok, any other thoughts or questions?

Kimble: We will have this out there for a couple more weeks if you have something that comes to mind today, tomorrow or the coming weeks let us know. Remember this is defining the City's role in a larger energy strategy so we are trying to hone in on what we can do to contribute to that program industry.

II. Business Investment Grant Program

Barnes: The next item is the Business Investment Grant Program.

Mumford: This is a quick overview of what you heard last month and you all asked a lot of real good questions for us to provide some information on the budget so we will go over that and at the end I hope we will treat as a biology because we are going to throw out some things that we learned with our partners. I want to make sure I mention Timothy Tibbs and Leslie Johnson are here. We consider the County a great partner in this effort and our friends at the Chamber. We work in concert on all of these deals that come forth; it's not just the City and you hear a lot of Neighborhood & Business Services representation but it does impact the international, it does impact the small grants, small businesses, big businesses so it takes an awful lot of attention to bring this forward, but because of that, we continue to look at new ways other cities do things. We're getting ideas brought to us by companies that come to town; what if and look at things this way or that way. At the end, we are going to bring up some of those potential enhancements and we would love to get your feedback on whether or not, yes that seems good for Charlotte or we don't have to worry about that one so we don't have any recommendations today. What we have are answers to questions and hopefully some thought provoking ideas for how to improve our program.

We will go through the overview, talk about some of the components to this program that weren't clear at the last meeting; talk about those and we thought it was important to show the performance of the program and I think you will be really intrigued by some of the data; we're are getting better with the data, we are able to take a look at the job applications here. We talked so much about average job wage and what we realized is that you kind of get lost in that because there is a lot going on well below that. It is important to see. You all asked about what are other cities doing and we compare very favorably on the broad scale but each one does something unique and interesting then some of the enhancements.

We will go through this very quickly because you all know about the program and when it was started. We have large standard grants, large impact grants, and headquarters grants. There has to be that capital infusion investment in the community, the grant comes after that, after the City and County have received those property taxes and of course we're very focused on the number of jobs and the wages. The dollars are really our best fix investment in the capital side. We have clusters today that you all approved and focus to help move it about that should we really now that the economy is

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picking back up, really narrowing potentially of this program to emerging markets and as I mentioned we still have the same three categories, but those could potentially be adjusted as well.

This was brought up last time that maybe we should have these businesses really give back to the community and make sure they are supporting this community. We wanted you to know that we do have that language in the contracts with the companies receiving these grants; they are not legally binding but they are encouragement clauses because we can't make it legally binding. We do encourage utilization of our small businesses.

Barnes: Clarify that point Mr. Mumford; throughout the years we've had Councilmembers question whether we could require employers to hire locally and so forth. I know it's illegal to do it because that is a statutory prohibition. Is it against the law?

Mumford: I'll have to get back to you on exactly where that falls.

Mayfield: I thought we had counties in North Carolina that do have stipulations to encourage that does require that not just encourage local hires. I thought that either Durham or one of the other counties does have it in their investment grants and I know other states. Is it a state?

Barnes: That's what I'm saying.

Mumford: I will confirm that.

Barnes: So there is actually this issue regarding whether it is a statutory prohibition or just local preference and then our friends at the Chamber, do you hear from businesses that if we start saying we've got to hire people in Mecklenburg County and Charlotte we're not coming in. Have you heard that discussion?

Kati Hynes, Charlotte Chamber: No sir, I have not but we have never actually said that to a company before either that they must.

Barnes: Not must but even if you bring up the topic of whether they are seriously considering hiring in Charlotte and Mecklenburg County, have you heard anyone say we'd like the freedom to do whatever we want to do, not be required to do any of it.

Hynes: I think that enters the conversation definitely. For example, when we are talking with people at corporate headquarters, they do want to bring some of their people because they have some of their managers in positions and they don't want to lose that great talent, but as far as after they move here, then the majority of them do want to hire people locally.

Barnes: Pat, have you heard that?

Mumford: I have heard anecdotally and seen a Business Journal article out of Austin that spoke to this exact issue and companies there were saying it wasn't worth it; there are so many ornaments that are hung on this tree they just don't want to participate. Again, that is somewhat anecdotal in a different part of the country but at some point there is a balance there.

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Barnes: Do you know by any chance Mr. Mumford the experiences of some of the recent investment grants we've entered into and their practices, for example MetLife in Ballantyne, are they focused on hiring locally? You may not know the answer to these questions but I think it could be informative and help inform our decision making.

Mumford: The short answer is we don't have that data, but you'll see in the last slide that's one of the enhancement opportunities to figure out how to actually capture that there.

Kimble: And hire locally can have different definitions and different interpretations.

Barnes: Within Mecklenburg?

Kimble: Within Mecklenburg and within the counties touching Mecklenburg. You have to be careful to define that.

Barnes: I understand this issue and I want to see if there is some way for us to narrow it down to the point where we know we either should stop talking about it or that we can push on it to create more local opportunities.

Mayfield: We have also a perfect example recently with the opening of the Charlotte Premier Outlets. I worked with the bulk of the developers that came in for us to have a local job fair which honored a lot of interest and I know personally more than 50 people. Not actually tracking the zip codes of everyone that by having those local job fairs that does help to push for that piece because at the end of the day, if our unemployment rate is not being reduced by it and if we still see high numbers especially in our minority communities of high unemployment, but yet we're spending tax dollars to try to bring into the City area, if we are not balancing that out with jobs for those who are contributing into our economy opposed to those who are outside of our tax base having access to them then there is going to be a real concern if we are really trying to grow the City. We know it can work, it is just a matter of are we concerned about even approaching the conversation so therefore we stay away from it or have we approached this conversation and we received a lot of push back. Now that we say that we have companies that have come in, agreed to it, have found great success from it so we now have a model to use opposed to if we run into any particular push back on it.

Lyles: I think Ms. Mayfield makes a great point because I think that even under the encourage have we actually optimized every effort to encourage before we talk about going to requirement. When you say we encourage utilization, what do we do, say we encourage in the contract? What do we do as a follow-up, how do we contact them? How do we tell them, let's have a reception for the minority businesses that fit your logistics or whatever, your construction. How do we talk about your work with the job fair is something that would get great results because you said let's get active and do something. I think when we look at it and I know there is an issue so you've got legal, but you've also got the idea of saying we do need to make these statements what do we actively do to participate and encourage these three bullets to happen. I would like to see a list of what we can do and how we do it to see where we compare. If it is just in the contract, it's always in a contract.

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Barnes: I agree. We talked about whether you say you have been here for X number of months or years or people. There are so many exceptions and what I'm saying is, and I haven't read the Austin article but what I wonder is when a company that sees it and say they have this encouragement piece. I would think a business owner would say, I'm not going to hire people in Charlotte or Mecklenburg may be, I just want flexibility, I appreciate you asking me but give me the flexibility of hiring the best people I can find. We are trying to figure out how to get them to give people who live here a first look. That is the issue.

Lyles: What I am saying is how do you give people that first look depends on whether or not you have ponied up enough to get those people out there for the first look. In some respect if I'm coming to the community and I'm saying well I'm getting ready to hire, I know that I can hire someone to do my HR, my screenings, all those requirements but what have we done to reach out to that person and say what are the requirements, what is your timeframe and who do we connect you with to do that. To me it is not a burden upon just the side of us to define a rule and have a business, it is about what we have done in this community to get them to participate and engage with the businesses after they've been contacted. I don't know the answer; we all want the same result I agree, we want that first look and our folks hired, but as I look at this all, I'm thinking about is my product has to go out the door at this time and timeframe, so how we help them do that so they are successful overall and stay in Charlotte, not feel like well I'm too busy working on what is important in a way that is distracting from what my overall business practice is. I kind of look at it from the incentive side and encouragement side to make sure that we authorize that as Ms. Mayfield did, she actually did something to make it happen.

Barnes: Would you share with us the Austin article just so we would have it for background?

Hynes: I'm with the Charlotte Chamber and I work in the Economic Development Division with the Chamber and when I'm working with companies that are looking to relocate in Charlotte that educating companies on how the hiring is part of the recruitment process. We go through that process with companies whether they chose Charlotte or not. We sit them down generally on the site visit when they come in; they want to talk with other companies who are already here in Charlotte. They want to talk to Charlotte Works, which is our workforce development board here and also Central Piedmont Community College to talk about training which comes through the State. All of that is done before a decision is ever made and before incentives ever comes before this board. Every project is different so not every project goes through that exact same process, but we do our best to educate them on how to hire locally and in those conversations we talk about job fairs, we talk about different ways they can engrain themselves in the community; we encourage them to get involved in the community. There are a lot of questions from them on how do we get involved in Charlotte and I think a lot of these companies they really want to be known as a company that hires locally and that looks good on companies and so they're asking those questions.

Barnes: Do you want to continue now and we will stop for more questions later?

Mumford: The whole backend process of tracking and updating the jobs today. That is part of our challenges is the backend of the process. The last piece here is participation in the community philanthropic and I think you all have seen that and that applied from day one, Electrolux, Chiquita,

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the companies coming in want to be part of this community and they have proven that with time with their employees, volunteer, money, in-kind donations so our pay is served well in that regard.

Austin: Do we track that anywhere?

Mumford: We do not formerly track it back to a backend process that exists today, but that is one of the enhancements we are discussing how to get our arms around that so we can have that. But today there is not a standard way to do that.

Austin: I'm aware e very good corporate citizens so I'm aware of many of those so make sure we track them.

Mumford: We're not tracking that today. We do have the wage requirements and for the standard grant, the base grant we require that the average wage of all their employees be the average wage of the area. There are some unique opportunities to move off of that number and it is sector specific and Black & Decker falls a little bit below a wage but that is because of that type of industry. Large Impact Grants the wages are higher and then course the requirement for headquarters is even greater on an average basis. What is interesting is I mentioned Black & Decker; their average wage is \$29,000 and United Technologies' average is \$168,000 so we are pretty wide scale on that.

Fallon: Is that the company that came back from Mexico, Black & Decker?

Barnes: Yes.

Fallon: But they are kind of mechanical jobs?

Mumford: Blue collar.

Barnes: We look at some of these headquarters – United Technologies, if you take out the top four highest paid guys or gals, would the average wage drop to \$75,000? In other words were there two or three that were kind of yanking that up?

Mumford: Great question; that is what this slide gets to, that specific one. What this slide shows you is if you take a sample, and sometimes it is difficult to get a breakdown of wages, but this shows you for these companies that we've listed that the average wage in our area is \$45,560, but this shows you for instance on the YG-1 Tool Company, 38 jobs but four of those jobs were an average wage of \$35,000. The broader average wage would have been higher than that to meet the \$45,000 limit so there are, to Mr. Barnes' point, wages so high they really skews that average but if you kind of strip that away, this slide shows you that even up to Sealed Air, which is something on your agenda for Monday night, up to 1,262 jobs, 225 are projected to be below \$50,000. They didn't have the breakdown. I wanted us to begin to report out this way so that we are not just talking about average wages and I see that these get down Black and Decker \$29,000; Rack Room \$32,000. When you get down to the lower end you don't really talk about that.

Mayfield: Mr. Mumford, I have a question about Black & Decker and how our jobs are all 250 fall below the average. I'm just trying to understand if we clearly have a goal that has to be met in order for

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you to receive our grants and if you do not meet that goal, two different questions; one what happens with that grant that was agreed upon since we are putting money into you and expanding or relocating and two, what is the plan to get that \$29,000 wage up to the average area wage which was what was agreed upon?

Mumford: One is that you all when you approved that one, made adjustment to the policy. For that industry, in order to attract jobs for that level of employees that we know needs them because of the high unemployment rate level, you all supported that number of jobs at that level. There wasn't a requirement that they move that up; that is market driven, that is what those jobs market rates happen to be but I don't know exactly what this job was, but that was the intent of Council at the time to respond to the tough economic times and the people that were unemployed. So it was right at the heart of the questions that we usually ask about that so that is the answer to the first one. Then the second part of that was.

Mayfield: Basically a claw back.

Mumford: We don't pay out unless the investment is in place and the job count which has to run through the State is verified and they can meet those job numbers, so there is a period of time for the grant to be received by the grantee then there is a period of time for claw back. So they have to maintain the jobs, maintain the investment and if they don't it's in the contract that the money comes back to us. We monitor that for the entire life of every one of these projects.

Barnes: Was it \$29,000 plus benefits?

Fallon: Yes.

Mumford: These are full-time jobs so you have to include benefits on top of the salary.

Mayfield: What we are looking at are the actual wages? We are looking at 18.4% of Mecklenburg County residents earning less than \$25,000 and we're looking at what we say as a body when we are talking to the community, what are our minimum requirements and then when we make a decision to allow for that dollar amount to drop below then we are setting new precedent with each time so for each potential of coming in, going back to that piece of access to jobs and quality of life.

Barnes: But remember at that time we talked about the idea that people would have an opportunity to have not a higher salary, but a decent salary, plus benefits as an alternative to McDonald; not necessarily McDonald's but what I'm saying is beyond a minimum wage job, not necessarily much more but beyond that and I thought the Council's thinking was that we have an opportunity to bring in 250 jobs that were permanent jobs that paid benefits, and not necessarily a very high salary, but a decent salary. It was basically someone with a high school degree more or less, I think that was the projection on it and we were trying to figure out where we could meet that market and thought that 250 jobs would help us to do that. I understand what you are saying, but we've gone from the Stanley Black and Decker's to the MetLife to Electrolux and we are trying to do the diversity and the variety of employment in order to meet each segment. Since I've been on Council, I think Stanley Black & Decker has been the first blue collar and grant that we've issued, purely blue collar; Siemens is kind of a high tech blue collar job.

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Mayfield: But thinking about that overall conversation and thinking about who has access to those jobs so now we look at the numbers and say okay great, we've brought in these blue collar jobs, 250 of them, how many are residents within our region? In my district if out of that 250 less than 30 are actually in Charlotte-Mecklenburg contributing to the taxes, then I'm still going to have a concern so what I'm hoping to hear and hoping to see in the immediate future is where we are truly connecting these dots to really help that unemployment rate, that lower workforce that are highly under employed and unemployed, helping them get access and how will we really be fiduciary responsible with tax dollars that are paid by citizens within Charlotte-Mecklenburg opposed to those who are outside of Charlotte-Mecklenburg having access and that being a greater number. So when I'm looking at the entire picture, all these dots connect and I think somewhere in the conversations what I'm hearing is that we might connect two dots over here and we might connect two or three dots over here and we are saying we made it because we connected these, but these dots are still not connecting at the top and the bottom point, so we are not getting a complete picture; we are getting partial pictures.

Fallon: It was the salary and the idea of a breakthrough of businesses coming back from Mexico that they could come back from Mexico and still hire here and make money to come back here.

Austin: My question centers around timing; was this agreement with Black & Decker kind of on the cusp of 2008 recession or was this recent?

Barnes: About a year and a half ago.

Austin: I questioned, trying to figure out the timing and why we would do that as opposed to kind of keeping with our average wage requirement. In fact Ms. Fallon's point, we could do it if we want to do it or that assessment.

Mumford: The Council has allowed us to look at average wage in a specific sector so the \$45,560 is the average area wage taking in all jobs. Black & Decker we took a look at that specific industry and looked at the average there which was lower so deviating dramatically from that versus what it looks like compared to the \$45,560; I just want to bring all those monies to that. That was a decision Council made was based on the lower average sector average which the Council approved as an approach to address this issue.

Austin: I wasn't here for the earlier presentation and I guess my bottom line is as I said before. I just want to be sure these jobs that we are bringing to Charlotte are some allocated to citizens of Charlotte. Maybe it was the conversation earlier that I missed that is still just my bottom line. I think that is what Ms. Mayfield is concerned about; I'm concerned about Charlotteans and I'm concerned about people who are paying the taxes or getting the incentives when we've got great people living in Charlotte. I don't want anybody to misunderstand, I want every company that wants to come to Charlotte to come to Charlotte and bring their jobs and bring their incentives, but I want to be sure that some of those people are Charlotteans so they live in our footprint and getting an opportunity to have those jobs. That is my bottom line with that and I just can't fathom why that wouldn't have been part of the whole grant process.

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Barnes: In fact Mr. Austin what we are going to dig into in a little bit is a couple things; one is whether State law prohibits us from requiring companies to do that and even if it doesn't are there any informal prohibitions or any informal disincentives to do that. Mr. Mumford can send us the article he read about this type of program in Austin, Texas and how the private company responded to being encouraged or required to do it.

Austin: Charlotte is a great city with great assets, have great property values, great way of living and I hope at some point we will get away from these incentives because they should be paying us to come here.

Barnes: I would love to stop doing this.

Austin: We have a great city. Companies should be coming here because we provide a great workforce, great housing, a great place to live and that is what we should be selling. I think that is what the Chamber is selling and I appreciate everything they do.

Hynes: I agree with you 100% Mr. Austin; incentives are necessary if you want the business; every community in America has incentives and in order to compete and to get these companies, either you get it or you don't so if you pay incentives and you get 400 jobs, you're ahead of not getting it at all so we hate it as much as you do.

Austin: You guys understand where I'm coming from?

Mumford: I would add as well, companies to do come to Charlotte Mr. Austin because of all the things that you mentioned; they don't come just because we give incentives. They know that all the things that you mentioned are here and are extremely attractive; but it is a competitive market.

Austin: So you are going to send us something from Austin?

Mumford: There was an article in The Austin Business Journal, somewhat anecdotal that companies were saying with more restrictions added to the deal was less interested in our so there is a tipping point of balance of all this extra requirement versus the real value of the incentives. I'll send that to you all.

Fallon: Which poverty level are you showing?

Mumford: Poverty level?

Fallon: Yes, wage.

Mumford: I don't know the exact number on that.

Lyles: One of the things I have to think about when you look at poverty, I often think that to escape poverty you have two adults that graduated from high school able to work at a job like Black & Decker, be willing to have some lifestyle decisions that allow them to get to that place. If you can get two people making \$29,000 per year and what I often think about is the number of people we have

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making nothing, paying \$40 a month to live in public housing and there is no income. Sometimes when you're thinking about these shifts and where we're getting employment, the guy that has never worked and didn't graduate from high school. If we could get them in that entry level, the idea would be for their kid to do something a little bit more and so when I think about this the average salary rate of \$45,000. We need to define the opportunity for people that are at the Urban League training to figure out how that works. I think Mr. Mumford's point on average is not an effort reflection because we have so many people in poverty that have no jobs and no employment.

Fallon: I think that is where we looked at that \$29,000; that it was a starting salary, we figured they would go up, they got benefits with it which were important and it was a place to get your foot in the door in a blue-color job that you wouldn't have had otherwise and we don't have a level of in Charlotte and it was bringing in 250 jobs I believe. Poor people, whether it was South Carolina or North Carolina because if it goes right through the line of that. Also the other thing was to show people you could come back from other places and get the help here and we would help. If you have that level of jobs, can't everybody have \$75,000 per year; you have to have people making \$29,000 and \$39,000 and \$49,000 and like you said there are two people in a family working and if it is \$29,000 and \$20,000 there are food stamps and other help they get.

Lyles: Work is the most important part.

Fallon: It teaches your children too that there is dignity in it.

Mumford: I wanted to continue on with some of the performance results here; there are 27 active grants and as you can see this is a City investment of \$17.9 million; the County would be twice that essentially. The full-time jobs that we say required because a lot of these are active and met fully; 7,000 jobs and this is in house statement interesting number and I don't know what it tells us yet or what we want it to tell us, but the average City investment per job is \$2,365 and you can see it runs the gamut from Black & Decker which you were seeing below of \$265 per job all the way up to United Technologies at \$3,500 per job. The amount of money was based on the physical investment but we just thought we would take a look at this just so you all would have it as another reference point. Then for last year, tax year 2013, we added \$704 million in taxable assets to the books which generates for the City, not City/County, but for the City a net property tax of \$3.3 million of net revenue. That takes account for all payouts for the grants and that is on an ongoing basis. Of course as the grant standing we've got the additional amount associated with that.

This is several pie charts just to begin to show that the breakdown of the investments of the Active Grants, the 27 in which you can see up at the top, red is large grants; blue is a standard and the green is for the headquarters. The top right shows again expected jobs and expected jobs end up being kind of in the same range but we look down in the bottom left, the large impact grants are the ones that receive most of the dollars and the large impact grants are the ones that bring most of the tax value. It's just information; it's not meant to draw any conclusion, but an interesting way to look at it.

You all asked several questions about peer cities and what we can learn is we're going to assess peer cities before you have to ask the same question. We may be a little slow, but we are not super slow

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so as you can imagine we call peer cities for the national, the ones that are listed there. Typical kinds of government structure size and similar to Charlotte; we didn't choose Chicago or New York.

Austin: How about Minneapolis?

Mumford: We don't have Minneapolis in there; I know we mentioned it last time but we don't have it here. I do want to talk about Detroit; because of empowerment zones. We will continue to look across the country and what people are doing. What is interesting is as you can image unique locations that have some unique components to their program, but by in large everybody sort of categorically looks at the same things and the chart shows that. The requirement for annual average wages is in there for all of these; exactly where they land is somewhat different, but we have that. A requirement for Minority and Women Business notification participation is actually in some much more strongly than we have. We will look at that from a legal perspective but some people do have that. Some of the industries are as I mentioned sort of targeting specific lower wage jobs so that is in call centers, logistics and distribution, but there is a real thoughtful effort up front. Those organizations will focus their dollars at that level.

Workforce Development agencies are involved in recruiting much more formerly and tied to contracts at the local level than we. Kati mentioned the efforts of CPCC and Charlotte Works so that activity occurs but much of that is tied to requirements associated with some North Carolina State grants. We don't have that specifically hard facts tied to our local grants, but we want to take a look at that and see if there is a way that we can do that.

This is just a chart to give you an idea of all those other five cities; Charlotte is the first column and you will see that as I mentioned that Minority and Women Businesses and Workforce Link again directly to our contract, not that it doesn't occur in the community, we don't have those. Some others don't as well, but the rest of this the wage goals, minimum investments, location geographic restrictions, others have that clearly as a grant term and we would not want to follow that. Then targeting industries, we have sectors specific industries. The good news is we are not way out here missing some glaring opportunities. There is opportunity if we go out around the edges. The best practice is not in totality in other cities; we call it pieces and parts from other cities and how we can look at what we do.

This is the last slide and really all it talked about most of this already, but I want to speak to this first one because it gets to Mr. Austin's point and Ms. Mayfield's point about Charlotte residents and we so often discuss the direct impact of that grant in front of us, the job numbers associated with that grant, the investment associated with that particular grant and that company and what we want to do in concert with the County and the Chamber is to begin to get really smart about the secondary impact so if you think about a Siemens, it was great and it brought a lot of jobs and a lot of lower pay scale. I think it is more important for our community and the economics is the companies and service providers, the people that buy office products, they clean the building, they repair the building. There is an awful lot of secondary benefit in community that probably has more capacity to serve the people we've been discussing today to maybe that original employee that comes to town. The folks that support them, surrounding community and those jobs are more service sector and potentially lower scale. We have to make some assumptions that there's a lot of software out there to help folks with this. We're looking at working with the County to find a product that can really analyze this secondary

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benefit and project and begin to help us get smart about it. How these folks get sent back to those communities, so that is what that first one speaks to and would love to be able at some point to come back and begin to report out not only jobs that grew \$1,000 for that company, but by the way, it is an expedient number.

The second one we touched on is the mechanism or process for tracking the jobs by salary level and keeping that accurate. As you can imagine, it takes an awful lot of effort to keep up with 50 projects that are still alive at any one time and working with 50 different companies in charge of departments to get that information; we know that is important. It is important for us to track that and it is important to inform future enhancements of our work. I don't have an answer to that.

Monitor and track community participation; that was brought up by Mr. Austin so follow-up on that is important. We don't have a solution for that today but we think it is something that could be an enhancement. The workforce compatibility, we've talked about that and we've talked about job development and training. This next one is interesting; multi-tiered incentives and this came to us from a conversation with the Chamber and another conversation with a small business owner here in town. It looks like he's going to grow his company. He sells a food product and he just signed two large contracts with large national grocers who are going to ramp up, but he doesn't have a lot of investment. The potential is large for it. We're toying with the idea of how could we help somebody early and say you know what if within three years if this product does work you're approved today for in the future for some additional benefits if you meet those hurdles, so there is some certainty for the company. We also know we've seen from history that some international companies come to town with really small contingent, like Hitachi. A small group could potentially really grow but there is no opportunity to show some incentive future for them early on but a lot of them like to test the waters. We've had a female from our investment partners that are going through mergers and what does that mean for these deals. We have to now think this through contractually how to manage mergers, not just domestic mergers, but international mergers. We certainly don't want to suggest to you that every answer to every question will come up, but we are looking at this as we go and a lot of this is just what life lessons have taught us.

The last one is speaking to focus the energy strategy of that world and do we want to focus on specific areas to grow, build that base so the public sector and the community during the dark days of economy that every job is really important. Every job is still important but do we want to become known as a group that is really narrowly tailored and focused and is creating solutions for this sector, might we want to look at enhancements for a particular sector versus standard for another job.

Barnes: To that point and with regard to the energy sector if you think about, for example, University City and the work that is out there and on the UNCC's campus, the research perspective and think about the Applied Innovation Corridor which is somewhat south of the area, but still along the Blue Line, we have some transportation/transit form of activity there, there may be some way to develop the establishment of energy focused businesses within the Applied Innovation Corridor near the Blue Line to help us continue to create higher and better uses for a lot of land that lies along the alignment of the Blue Line Extension. What I'm suggesting is you have perhaps national partners and UNCC and we are trying to figure out about infrastructure within in the Applied Innovation Corridor to attract those businesses. We are also building the Blue Line Extension to create a transit option so there may be some opportunity there to seed something within the boundaries of the Applied Innovation Corridor

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between UNCC's main campus and uptown Charlotte that will actually move forward with the energy sector and grow those jobs.

Mumford: That's a great example of what that bullet point represents. If I might I would like to briefly discuss the two areas that you all asked us to investigate last time, the empowerment zone; this was in Detroit. The empowerment incentive is really funded through HUD and they no longer do this. A lot of specific incentives to that geography from Federal tax, I'll call abatements or grants, is specific to that geography, specific to other tax incentives. What is interesting on the South Bronx initiative which came forward in 2006 from Mayor Bloomberg, this really looks a lot like what you all have been supporting with the Community Investment Plan because this is really the South Bronx initiative was more of a capital investment program with some workforce development around it. It is about a comprehensive revitalization area, which is interestingly really where you are guiding us to go with the CIP and the Comprehensive Neighborhood Improvement Program. So it worked up there with a little bit more money in New York, but everything we've read about that has a great similarity to what we're doing now.

Lyles: Did the South Bronx program also include the idea of a business investment program that increased what they did in New York? That was my understanding is that what they did in South Bronx and what they are continuing to do is they actually had a general program and then they took that and moved it deep into regular incentives to get people in that geographical area.

Mumford: I don't recall. Todd, do you or AC know?

Shull: I think their move approach was gradual. They took a large area and what they did was a lot of planning about what was needed in distressed properties then they went to the elected officials and asked for a capital improvement plan. The City and County looked at it and they funded a lot of this. I didn't see any reference to a tax abatement program or a tax credit program like ours.

Lyles: Are there any Federal programs that applied for something like that in the geography that we're not aware of? Is all of that Brownfields?

Mumford: Brownfields still exist. We still have commercial development opportunities for low income housing for commercial development but not a whole lot.

Lyles: Not the size that they were?

Mumford: Correct.

Austin: I guess the reason I asked the question, obviously my colleagues here know that I'm very focused on my Beatties Ford Road Corridor. It has many challenges and I'm looking to not only resolve some of those challenges around criminal activity, but also in economic development so for me greater ways to incentivize major corporations into my district. That's what I'm looking for and that is my desire because I need to begin to transform what I'm seeing because what I'm seeing has existed there too long and it's heading in the wrong direction and I need it to head in a different direction. That is my self-serving issue up front to look at; how can I get these companies to hire people that come into our community. That is it, my bottom line.

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Mumford: The ask of you all is to give us some direction because everything we discussed there on that slide, is to investigate or to add, delete from that. This is really how information is delivered and we will stand ready to work on enhancing the strategy in any direction you want us to.

Barnes: As you said earlier, our first deliberation contained a number of questions that we would ask next. Are there any additional questions from the Committee or any thoughts regarding this slide? I do want you guys to look at the Siemens and Applied Innovation Corridor and talk about that.

Lyles: I have a question and I don't know if I heard this at the Chamber or something that the staff did; I'm not sure but there is a job origination kind of study that says where they work and where they live. Do we have that kind of information updated or am I making this up?

Hynes: You might be talking about migration. It's like people working outside and migrating into Charlotte.

Lyles: And I also heard how many people were in Charlotte and migrating out.

English: I think that's what we do with the Urban Institute.

Barnes: We saw that at the Retreat.

Hynes: I know we did that measure of the impact.

Barnes: Natalie English from the Chamber said that is what we do with the Urban Institute and we heard the information originally and we'll get an update. There are concerns about people living in Union County and Cabarrus and working here and shooting back.

Kimble: The next meeting will not be Center City Retail; it most likely will be Eastland Mall Redevelopment Update and we're still working on the middle one to see if it is ready to come back, but for sure Eastland Mall Update and Center City Retail will be separate.

Barnes: When are we going to get back to the SBE Program?

Kimble: That's on September 18th.

Mayfield: I wanted to make sure everyone knew that I will be out of town, away from Internet and everything else.

The meeting was adjourned at 1:10 p.m.

City Council
Economic Development & Global Competitiveness Committee

Thursday, August 21, 2014
2:00p.m.

Charlotte-Mecklenburg Government Center
Room CH-14

Committee Members: Michael Barnes, Chair
Vi Lyles, Vice Chair
Al Austin
Claire Fallon
LaWana Mayfield

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. ENERGY STRATEGY – 20 minutes

Staff: Rob Phocas, Neighborhood & Business Services

Action: This item was included in Council's FY14 Economic Development Focus Area Plan. The purpose of the strategy is to determine the appropriate role for the City in supporting and accelerating the economic growth of energy-related companies and suppliers in Charlotte. On April 17, 2014, the Committee discussed a framework for the development of the strategy. On July 2, 2014, a representative of E4 Carolinas, Inc. presented an update on the state of the energy industry in Charlotte and the Carolinas. At today's meeting, staff will present a draft strategy for the Committee's consideration. If ready, the Committee may make a recommendation to the full Council for consideration at a future business meeting.

II. BUSINESS INVESTMENT GRANT PROGRAM – 45 minutes

Staff: Patrick Mumford, Neighborhood & Business Services

Action: The Business Investment Program was created in 1998, in partnership with the County, to encourage the attraction, retention and/or expansion of businesses and jobs. During the meeting held on July 2, 2014, staff shared an overview of the program, including an update on its performance to date. At today's meeting, staff will respond to questions/comments posed by Committee Members at the July 2nd meeting, as well as seek additional feedback from the Committee on which potential program enhancements merit further research. No action required.

III. NEXT MEETING DATE: Thursday, September 4, 2014 at Noon, Room CH-14
Potential Topics

- Center City Retail
- Amateur Sports Development at Bojangles Coliseum/Ovens Auditorium
- Eastland Mall Redevelopment Update



Energy Strategy Update

Economic Development &
Global Competitiveness Committee

August 21, 2014



Key Questions

- What can the City do to best support the economic growth of energy-related companies?
- What can the City do to attract the investment of energy-related companies and their suppliers?
- What public policy decisions will allow the City to lead by example?



Energy Strategy Objectives

- The intended outcome of this strategy is to strengthen Charlotte's position as an energy industry cluster, and to define the City's role in the cluster, in order to:
 - Attract and keep energy-related enterprises and entrepreneurs in Charlotte;
 - Attract more venture capital investment into Charlotte-based energy enterprises;
 - Leverage partnerships for business and workforce development;
 - Become a laboratory for new technologies and financing mechanisms; and
 - Increase the amount of federal research dollars to our local universities.



Energy Strategy Framework

- Strategy Components:
 - Develop a communications plan for the Mayor and City Council that seeks opportunities to raise the statewide, national, and international profile of the City
 - Promote City facilities and operations as a learning laboratory for new energy-related technologies
 - Leverage local, national, and international partnerships for energy-related business development
 - Support Alternative financing tools for energy efficiency
 - Leverage Partnerships for Workforce Development



Next Steps

- Staff to address any questions or concerns
- Receive for your review the draft Energy Strategy document for Committee discussion at the next meeting
- At next Committee meeting, if appropriate, recommend the Energy Strategy to City Council for approval

11

Energy Strategy

August 21, 2014



Background

In November 2012, City Council directed staff to begin work on an energy strategy for their review and consideration. The development of a City Energy Strategy was included in City Council's FY13 and FY14 Economic Development Focus Area Plans. Since that time, staff has worked with leaders in the community to understand and determine the appropriate role for the City, and to develop a strategy that helps grow the local economy through support of energy-related enterprises as well as the City's role as a practitioner of sound energy policy and practices.

As a result of the recent economic recession, City leaders began to look for high potential growth industries in an effort to diversify Charlotte's economy. Energy emerged as one of these industries, due, in part, to the high number of energy-related companies already present in the greater Charlotte area. With these companies as a foundation, Charlotte is positioned as an ideal location for an expanding energy industry cluster.

A cluster is defined by Harvard Business School Professor, Michael Porter as "a geographically proximate group of companies and associated institutions in a particular field, linked by commonalities and complementarities." Clusters are a collection of linked industries, with several companies in each industry that extend down to supply-chain channels and to manufacturers of complementary products. Clusters can include not only traditional industry participants but also government agencies and other institutions, such as universities, vocational training, and trade associations.

Historically, City staff has focused energy-related efforts on internal operations with sporadic projects in the Charlotte community. The receipt of \$6.8 million from the U.S. Department of Energy's Energy Efficiency and Conservation Block Grant program in 2009, and the community's growing desire to support an energy industry cluster, have made apparent numerous opportunities for City staff to participate in energy cluster activities. The benefits from these activities will be realized organizationally and throughout the greater Charlotte community.

Policy Objectives

Economists project a long, slow economic recovery. Consequently, economic growth will require a diverse approach. The intended outcome of this policy is to strengthen Charlotte's position as an energy industry cluster, and to define the City's role in the cluster, in order to:

- Attract and keep energy-related enterprises and entrepreneurs in Charlotte;
- Attract more venture capital investment into Charlotte-based energy enterprises;
- Leverage partnerships for business and workforce development;
- Become a laboratory for new technologies and financing mechanisms; and
- Increase the amount of federal research dollars to our local universities.

Recent Activities

Since 2009, there has been significant activity from City staff and our partners to help develop an environment conducive to the growth of an energy industry cluster, including:

- Development and Implementation of the US Department of Energy's Energy Efficiency and Conservation Block Grant Program, which totaled \$6.8 million and funded seventeen energy projects;
- Creation of the Charlotte Regional Energy Capital Initiative;
- Launch of Envision Charlotte and its Smarty Energy Now program;
- Opening of UNC-Charlotte's Energy Production and Infrastructure Center (EPIC);
- Launch of energy start-up incubator, CLT Joules, within Packard Place;
- Expansion of Siemens natural gas turbine plant;
- Relocation of AREVA headquarters;
- Merger of Duke Energy and Progress Energy;
- City participation in the US State Department's EcoPartnership Program with Duke Energy;
- Home to several new energy-related companies; and
- Launch of E4 Carolinas, Inc.

Challenges & Opportunities

Despite the increased activity in support of an energy industry cluster, the following challenges and opportunities exist:

- Clear and unified messaging is lacking;
- No community energy strategy with the City's role defined;
- Confusion between economic development and global competitiveness and the energy industry;
- No comprehensive international strategy;
- Constrained levels of internal funding and support;
- Lack of testing environments for new technologies;
- UNC-Charlotte currently receives only a small fraction of the research dollars that come to the state; and
- The identification of potential office space locations for energy-related enterprises in the business corridors, including vacant City facilities.

Key Partners

Corporate

- Duke Energy, Piedmont Natural Gas, Siemens, AREVA, Westinghouse, CPI, SPX, Celgard

Academic

- Central Piedmont Community College, UNC-Charlotte, Johnson C. Smith University, Northeastern University, Wake Forest University, Davidson College

Community

- E4 Carolinas, Inc., Envision Charlotte, Charlotte Chamber of Commerce, Charlotte Regional Partnership, Discovery Place, CLT Joules

Recommended Activities for the City

The following pages list activities representing how the City of Charlotte can lead or assist our partners' collective efforts to grow the economy through support of energy-related enterprises.

Activities

1. Develop a communications plan for the Mayor and City Council that seeks opportunities to raise the profile of the City on the topic statewide, nationally, and internationally. The plan may include:
 - Supporting the attraction of energy-related conferences and events to Charlotte;
 - Attending and participating as hosts and/or speakers at energy-related events and awards or attending business openings;
 - Advocating for development and adoption of tax and regulatory changes identified by energy sector to promote job growth and investment; and
 - Recognizing successful high growth energy-related entities at Council meetings and on GOV channel.
2. Promote City facilities and operations as a learning laboratory for new energy-related technologies by:
 - Encouraging City departments, where feasible, to seek solutions from local energy-related entities with innovative products and services;
 - Working with local energy-related companies to understand the technical products, services and expertise available locally that can be made available to City staff;
 - Undertaking pilot projects with local energy-related companies;
 - Investigating ways to use the Community Investment Plan to promote energy-related growth; and
 - Pursuing collaborative grant opportunities with partners.
3. Leverage partnerships for business development by:
 - Making it easier for local energy-related companies to find Requests for Proposals or other areas of opportunity to do business with the City;
 - Working with E4 Carolinas on their two-state approach to energy cluster development;
 - Working with NC Sustainable Energy Association on their four-state approach to energy cluster development;
 - Facilitating connections between industry leaders, academics, small businesses, entrepreneurs, legislators and other stakeholders; and
 - Exploring alternate ways to utilize local incentives to attract energy investments.
4. Support Alternative financing tools for energy efficiency improvements by:
 - Exploring a community energy efficiency loan program for retrofit of commercial buildings;
 - Engaging legislators on need to leverage financing tools for energy efficiency;

- Utilizing Community Development Block Grant funds, and other applicable federal funding opportunities, for community energy efficiency projects; and
 - Collaborating with banks to provide tools for energy efficiency.
5. Leverage Partnerships for Workforce Development by:
- Encouraging apprenticeships between local high school students and energy-related entities and the City;
 - Exploring opportunities to support energy related workforce development programs;
 - Working with NC Sustainable Energy Association on their database of job training opportunities to develop awareness and identify further opportunities;
 - Working with local institutions to support STEM curriculum development and training; and
 - Increasing participation of City's Mayor's Youth Employment Program in the energy sector.
6. Develop an international energy strategy that seeks opportunities to raise the profile of the City internationally and to seek international energy-related partnerships. The plan may include activities such as:
- Participating in international energy trade missions;
 - Defining a role for the City's Office of International Relations in the development of the energy industry cluster;
 - Partnering with international organizations, such as the German Marshall Fund, and state and federal government agencies to explore opportunities and raise Charlotte's profile; and
 - Partnering with international municipalities to share energy best practices and technologies.



Business Investment Grant Program Overview and Discussion

Economic Development & Global
Competitiveness Committee
August 21, 2014



Business Investment Grant Program Presentation Agenda

- Program Overview
- Program Components
- Program Performance
- Peer City Comparison
- Program Enhancements





Business Investment Grant Program

Program Overview



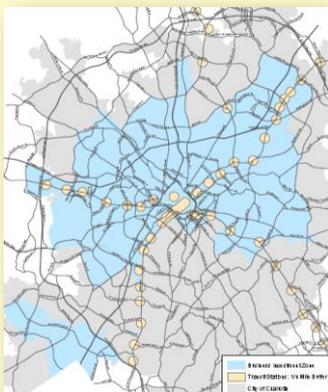
Siemens Natural Gas Turbine Plant
(2010)

- Created in 1998, in partnership with the County, to encourage the attraction, retention and/or expansion of businesses and jobs
- Provides grants based upon the amount of new property tax generated by the business
- Requires companies to meet thresholds for capital investment, new jobs and wages
- Often used as a required match to State incentives



Business Investment Grant Program

Program Overview



Business Investment Zone

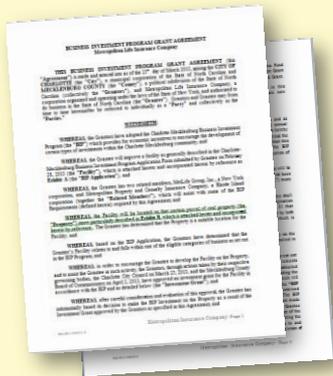
- Eligible Clusters:
 - Manufacturing
 - Headquarters
 - Logistics
 - Emerging Technologies
 - Financial, Insurance & Professional Services
- Grant Categories:
 - Standard (zone)
 - Large Impact (citywide)
 - Major Headquarters (citywide)



Business Investment Grant Program
Program Components

• **Community Impact Clause added to the City/County BIP contract in 2012:**

- Encourages utilization of locally owned small, minority, and women owned businesses
- Encourages hiring current residents of Mecklenburg County
- Encourages participation in local philanthropic giving and sponsorship of community events



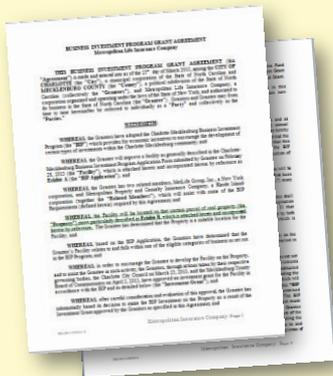
Business Investment Grant Program
Program Components

• **Wage requirements:**

- Standard Grant-100% of average wage for region or \$45,560
- Large Impact Grant-125% of average wage for region or \$56,950
- Major Headquarters- 200% of the regional average wage or \$91,120

• **Range of average wages committed by grantees:**

- Lowest- Stanley Black & Decker (\$29,000)
- Highest- United Technologies (\$168,000)





Business Investment Grant Program

Program Performance

Sample of BIP Grantees paying below average area wage of \$45,560

	Total Jobs	Jobs Below Avg Wage	Wage
YG-1 Tool Company	38	4	\$35,000
Marbach America	30	20	\$38,500
Stanley Black, & Decker	250	250	\$29,000
Siemens Energy	890	426	\$41,180
Rack Room Shoes	72	14	\$32,900
Otto Environmental	32	32	\$38,179
Sealed Air	1,262	225	<\$50,000*

*Specific salary figures currently unavailable

• Accessibility for Low Wage Job Seekers:

- 18.4% of Mecklenburg County residents earn less than \$25,000 per year
- Average wage of new jobs for all active BIP grantees is \$68,827 (151% of the area average wage)



Business Investment Grant Program

Program Performance



Pavco Charlotte (2006)

• Active Grant Performance:

- Total City investment - \$17.9M
- New full-time jobs required- 6,818
- Average City investment per job- \$2,365
 - Electrolux (3 grants) - \$1,927
 - United Technologies - \$3,500
 - Time Warner Cable (3 grants) - \$3,400
 - Black & Decker - \$265

• For tax year 2013, Active BIP Grantees held \$704M in taxable assets

- Generating \$3.3M in net annual property tax revenue to the City



Business Investment Grant Program

Program Performance

Active Grants	
Grant Type	Count
Standard	14
Large	10
HQ Provision	3
Total Grants	27

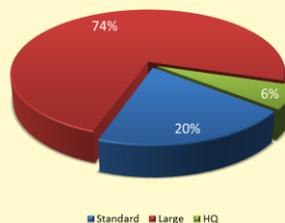
Expected Jobs by Type of Grant



Distribution of City Grant Dollars by Type of Grant



2013 Taxable Value by Type of Grant



Business Investment Grant Program

Peer City Comparison

- **Peer City Incentive Requirements:**
(Dallas, Tampa, Denver, Austin, Nashville)
 - Incentives require 100- 150% of annual average wages depending upon investment location inside or outside of the City's targeted areas
 - Requirement for M/WBE notification & participation
 - Specific industries and/or users targeted for lower wage jobs
 - Call centers, logistics and distribution
 - Workforce Development agencies involved in recruiting of industry and training needs of companies
 - Influence recruitment decisions



Business Investment Grant Program Peer City Comparison

Program Requirements	Charlotte	Dallas	Tampa	Nashville	Denver	Austin
Wage goals	Y	Y	Y	Y	Y	Y
Minimum investment	Y	Y	Y	Y	Y	Y
Target location	Y	Y	Y	Y	Y	Y
Grant term	Y	Y	Y	Y	Y	Y
M/WBE	N	Y	Y	N	Y	Y
Workforce link	N	Y	N	N	Y	Y
Target industry	Y	Y	Y	Y	Y	Y



Business Investment Grant Program Program Enhancements

- **Ongoing Efforts to Enhance Quality of the Business Investment Program:**
 - Measure secondary/indirect impact
 - Mechanism to track jobs by salary level
 - Monitor/track community participation
 - Workforce compatibility - potential linkage with job development/training
 - Provision for multi-tiered incentives?
 - High growth start-ups who plan to grow and have the ability to grow
 - International companies testing the US market prior to making a larger investment and long term commitment
 - Mergers/acquisitions impact
 - Focus on specific industries
 - Align program with City's proposed Energy Strategy