

COMMITTEE AGENDA TOPICS

I. Subject: Charlotte Business INClusion Update

Action: The Committee will receive an update on the Charlotte Business INClusion (CBI) Program and the work of the CBI Community Input Committee. No action is required.

II. Subject: FY2016 ED Strategic Focus Area Plan Discussion

Action: Staff will propose items for recommendation to add or amend the FY2016 Economic Development & Global Competitiveness Focus Area Plan including revisions discussed from February 19th meeting, and if ready, make a recommendation to the full Council for adoption at a future business meeting.

COMMITTEE INFORMATION

Present: Michael Barnes, Vi Lyles, Al Austin and LaWana Mayfield
Absent: Claire Fallon
Guests: Councilmember Greg Phipps and Brenda Anderson, Galilee Agency
Time: 12:00p.m. – 1:46 p.m.

ATTACHMENTS

1. Charlotte Business INClusion Program Update Presentation
2. FY2016 Draft Economic Development & Global Competitiveness Strategic Focus Area Plan

DISCUSSION HIGHLIGHTS

Chairman Barnes welcomed everyone to the meeting and began with introductions.

I. Charlotte Business INClusion Update

Barnes: The first item on our agenda is the Charlotte Business INClusion Program. Several months ago we had talked about ways to enhance this program to make it more viable and more valuable to the people who want to participate in it and to add real value to some of the small businesses in our City and this update will be a part of that process of learning the things that we have done well and can do better and how we may want to adjust the program to provide an even greater value to the small businesses in the City.

Kimble: You said it well; this is an official referral to the Committee so it is here for you to listen, to respond, to ask questions and ultimately make a recommendation for moving forward.

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Rosado: Just a quick review of what we are going to talk about today and what we are going to present. Brenda and I are teaming up to deliver this presentation. I'm going to start and kick off the presentation; we are still kind of introducing the CBI strategic pillars. There are five pillars that provide the strength and support to move the CPI Policy forward and then I'll be delivering information on some CBI outcomes and providing you an update on the things we've been doing on those five pillars; what are the activities and achievements that we've had over the first six months of FY15. I will key up the conversation around the community feedback; one of the asks from this Committee was to go back into the community and really obtain from them information and feedback on what are their priority areas and what things do they want to see the CBI Office and the City staff and all our departments take on as initiatives that are going to help grow the MWSBE opportunities. We did that and we will share that feedback that we got with the community with you and also identifying not only that feedback but also the priority areas that the community identified. Then we will conclude with next steps.

Here we have the five CBI strategic pillars as we call them. We recognize the CBI Policy is about working to implement change and to make sure that we are making an impact in this community and that we are growing the wealth of our minority women small business enterprises here locally so we established and identified these five pillars that are really those things that are going to push the policy forward. The first pillar is about economic development and specifically about increasing MWSBE spending. The second one is really focused on engaging our stakeholders and ensuring access to opportunities. We call that our customer service pillar. The third pillar is internal operational efficiency and it is about improving our system; how can we improve our systems to better track, to better report, to more timely report the information that we have. The fourth pillar is centered around organizational capacity and that is really about changing the culture, making sure that internally throughout our City departments that they are taking on those initiatives that are going to lead to increased gains for our MWSBE's. The fifth pillar again brings us back to economic development if we do those four pillars and we do them well, it is going to lead to a growing MWSBE economic impact in our community. Those are the five pillars and you will see those reiterated throughout the presentation.

We will go right into it and really start with the CBI outcomes update and focusing on that first pillar which is the financial, we are finalizing the FY15 midyear report and that should be published on March 31st but we wanted to share some information with you on the final level. The report that you will see on March 31st actually includes a new measure for reporting and tracking MWSBE spend opportunities. This is a new measure that is based on the ED Focus Area Plan that was implemented that established a 10% goal for MWSBE spending. If you recall during the last time I was here back in September and one of the conversations centered around; you know we look at our discretionary spending and in the past we've had that 5% SBE goal but that 5% SBE goal took into account a lot of spending that really weren't viable tangible opportunities so the Committee asked us to really go back and take a look at identifying those tangible opportunities in the departments and then reporting out how successful are we in providing and meeting that spending goal that makes sense and is more realistic. We established the 10% MWSBE City-wide direct discretionary spend goal and the second bullet there helps define how did we identify what makes up a spend opportunity tangible. The definition is those purchases and contracts where there is MWSBE availability in our City vendor database and also where there is MWSBE capacity and capacity is the capacity to bid on the project, the capacity, the staffing so capacity is very specific identifiable measure.

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Here we have the first metric so looking at that 10% goal for FY15 which is the period July 1 through December 31st and analyzing all of the City's spend transactions; we identified that there was total City-wide spending at the discretionary level of \$226 million. When you pulled out those expenditures that did not represent those true opportunities, those tangible MWSBE opportunities, you pull out about \$106 million and that leads us to \$119 million which were the true opportunities. Just to make sure that there's a sense of understanding when we pulled out because one of the things in our CBI Policy said was really look at the due diligence to make sure that what was getting pulled out were really opportunities that just weren't available to MWSBE's; 62% percent of that \$106 million represented payments to large contractors that were doing construction projects. Again there was approximately \$66.4 million that was going to Archer Western, for example, building the huge parking deck which is a \$100 million project. Actually the Aviation Department has two really large parking deck structures at their building so that was the bulk of that spend that was actually getting pulled out. Now you get a better sense of what are the true MWSBE opportunities and when you take that \$119 million you see that the City as a whole achieved spending of \$12.7 million with MWSBE's over the first six months of FY15. We had established a goal of 10% and we are right above that 10% goal that 10.63%.

Lyles: Could define direct prime discretionary spending for me and the language changes? It's ok, I just want to make sure I'm understanding because the example I didn't get on the Airport was like that's a contract work and capital projects and I thought this was prime discretionary which I would have looked at more in the operating.

Rosado: The direct prime spending are those payments where the City directly made a payment and has a contract with that particular vendor. It includes capital projects and every time that we report our spending opportunities, we are reporting everything, capital projects, any City funded payments and projects that were made.

Lyles: Do it again for me.

Rosado: Direct prime spending are those payments that the City directly paid out to a prime on a contract, on a purchase on any type of project. We are only looking at City funded projects so this excludes from that denominator anything that is Federally-funded like anything having to do with the Blue Line.

Lyles: Or the parking deck? Is parking all funded City? But it's Aviation enterprise?

Rosado: Right.

Lyles: I got you. So if I get a check from the City of Charlotte payable for a service or a capital project that's going to be in the prime discretionary spending amount?

Rosado: Discretionary is defined as any contract or purchase where the City had a choice in who it was going to have that opportunity bid. In construction it's a little bit tricky because you have to follow State statutes so you put it out to bid and in that case you did have a choice but you have to accept the lowest responsive responsible bidder; so there are limited opportunities there.

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Barnes: The Airport decks for example followed the DBE.

Kimble: It depends on whether or not they were funded in part by Federal dollars and if they were Federal dollars in the project that would be DBE. There is a lot of spend that the Airport has that has local revenues of both dollars.

Rosado: They both were City funded projects.

Kimble: No, Federal dollars.

Barnes: But they weren't a part of the SBE award?

Rosado: They were but again my example of the two parking decks are the payments that are made to that low bidder, but this does not represent the sub-contracting. We set a goal on each of those two projects and so the sub-contracting spend is reported separately. It has always been reported separately in our yearend report.

Austin: Just a question for staff as we are presenting numbers, is there a way to extrapolate out from MWSBE just women and what goes in minorities to get a better feel for that and do we have a sense of what that is in that \$12.7 million currently?

Rosado: I don't have that information with me today but we can definitely break that apart and get that out to you.

Austin: Mr. Kimble, I know we get all of our consent items where we have our goals and whatnot and we just list that. Can we begin to list the breakdown of that as well, is that possible?

Kimble: We are talking about doing a different reporting format as early as your April 13th Council Meeting. We've heard from a few of you and so we are going to try and share with you a new format and we want to work with you and make sure that it is the kind of format that will work for you. We are trying to make some changes based on the feedback we've been given from all of you. So thank you and we are responding to that.

Mayfield: Ms. Rosado, you are probably getting ready to go on to this but before you go to the next slide but I want to get a clear understanding of the difference between the opportunity spending and the spending achievements. The spending achievements are the specific dollars that were paid out; that is a considerable gap so I'm thinking you probably already have it and you are going to talk about it, but I would really like to get a better understanding of how we are working to fill that gap and what specific task staff has been charged with to close that gap between opportunity and actual achievements.

Rosado: To make sure I understand let me repeat your question; your question is the difference between a \$119 million which we have identified as the opportunities that existed and then the \$12.7 which was the actual spending that happened and occurred at some place. When you look at the difference between the two, a lot of it has to do with – we are doing that analysis now really to kind of get to the bottom and working with our departments to identify how we can improve and take

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advantage of those opportunities to help close some of that gap and get some more of that spending to our minority women small business enterprises so that process is still happening as we speak. But a lot of it has to do with the availability of MWSBE's and do they have the capacity to actually bid on some of those opportunities. We are actually following up the exercise has been finalized but this is actually what happened and now we are taking that exercise out to the departments and having those conversations to say why for this particular situation was it an MWSBE. Was it that it was a low bid opportunity where the opportunity existed but maybe that SBE wasn't the low responsible bidder and therefore we couldn't award that contract to that SBE. We are having those conversations and holding them accountable for those particular purchases.

Mayfield: So when you bring that back to us for that report update I will also encourage I know for me it will be helpful to actually have the breakdown of what exactly those opportunities were. Having that information and having as much transparency around it as possible will also help our MWSBE's to know where there are gaps when we are looking at new career opportunities.

Phipps: How long has this 10% been our goal?

Rosado: That is a new measure for FY15 and it's a benchmark measure; we never had this type of goal in the past, it's always been that 5% SBE spend which looked at the entire denominator of discretionary spending so in arriving at that goal, we worked with the departments to identify what were the opportunities in setting a realistic goal that really made sense. We see that we were about on target with that goal so we are going to be looking at FY16, stretching that goal a little bit and taking it from 10% now to another number so we will be having those conversations with the departments to make sure that they understand that we're moving up.

Phipps: Thank you.

Rosado: The next slide is still focusing on the financial just to give you a sense of access to capital. We have Eric Nelson on our team and so he works diligently to make sure that we are providing access to capital to the community and to date for FY16 midyear, the first six months we closed on nine loans totaling \$519,000. We are also having conversations with our departments to really build spend review meetings to say here is where you spent the money if FY15, what are we going to do differently in FY16 and then during those conversations, we are also working with the departments to give them each individual goals. To say, for example, the City-wide goal if it is 10%; X department your goal is 16% because you have more opportunities than a different department so we are actually being really strategic and accountable and holding every department accountable for what they can actually perform. We've heard time and time again that if you set a goal as a City-wide goal people will tend to stop at that goal and they may not push beyond the goal and go any further so we are really having one on one conversations with the departments to look at their individual opportunities and see what the maximum push that we can do in setting that individual goal for that department. Those goals will be coming out prior to FY16.

Barnes: Talk to us about the nature of those loans.

Rosado: Three of the loans centered around mobilization and so the City has a program where we provide mobilization assistance so if a prime contractor or a subcontractor who is an SBE certified

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company need some cash flow assistance to get the project going they can apply for a loan through Eric Nelson and the City of Charlotte and get approved for that type of a loan so there were three that were done in FY16 midyear. There is still a due diligence requirement; they still have to show and be able to prove that they can repay the loan.

Kimble: Would you like some more information on those? We will send that to the Committee.

Barnes: Yes.

Rosado: The second pillar is focused around customer service and one of our strategies for the first six months, in the new CBI policy, one of the additions that was made by City Council to that policy was this initiative about SBE designated contract strategy and what that means is for informal contracts, the City can determine how to be strategic in identifying those opportunities that SBE's only can solicit. We see this as a great tool for increasing the opportunity for SBE's to be primes on some of our City project, particularly on construction since that is where a lot of the City's opportunities lie. We have worked with departments and collaborated with departments to identify to date four contracts that were designated for SBE only solicitation which means that we did not publicly advertise them; they were under the formal bidding threshold so the City advertised that opportunity and made available that opportunity so that only SBE's could respond to that opportunity. In essence, an SBE was going to win that opportunity because it excluded all others from participating. That was really to address the issues that for some of our smaller, for example construction contracts, that are \$250,000 contract, when you put it out to public bidding we recognize that there are times where a larger contractor may bid on that project and will be the low bidder because they have economy to scale that some of our small businesses just can't compete against. This is an opportunity to really have a targeted opportunity for our SBE's to work on small City projects as our primes and grow their capacity so that they can eventually bid on larger projects with the City.

Lyles: Is this an opportunity for some growth in this area? I think with a \$2 billion budget we have a billion on the operating side and then we say our discretionary spend is \$200 million and opportunity spend is \$119 million. It's hard for people to understand that. I get it cost of people, cost of huge contracts, you happen to get a light rail bus purchase or things like that but to me this is the only opportunity we have in our strategy currently to really get to that place where we even some of this out. Now maybe that is not practical but to me this is one that we really need to strengthen.

Rosado: We are definitely working on that; we have just introduced our strategy out to our departments so we are taking advantage of every opportunity we can. There are some strict guidelines that we have to follow because we are a public entity and we have to follow State bidding statutes so anything over \$500,000 has to be publicly advertised and bid so we are trying to identify all of those niche opportunities where we can get to the bottom. Two of the contracts have actually come from ETM; one was Charlotte Water that initiated that opportunity and then CATS has the fourth opportunity that you are going to be seeing in our next Council Meeting I believe. As far as customer service again with the focus of engaging our stakeholders, our certification team led by Kimberly Tibbs and Emily Yaffe, they administered 156 SBE certification applications just in the first half of this year and 67 MWBE registrations so that is a lot of work that is going on and really doing the due diligence and readiness doing outreach to really encourage those that are qualified for certification to get certified. We have 876 total MWSBE's in the City's vendor database to date.

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Mayfield: Out of that total of 876, are we by any chance tracking who does not or who has not had the opportunity to win a project? It is great to say we have 876 but out of that 800 if only 300 or 500 or 150 are utilized on a consistent basis, then we still have a gap there. I think it would be helpful to know how many are actually receiving contracts and having the opportunity to do the work out of that 876.

Rosado: We can get that for you. Do you want that for both prime and sub-contractors?

Mayfield: If they are minority contractor because I want to keep them focused on CBI and making sure we are hitting those goals and just trying to figure out ways to identify any potential gaps that we may have so we can start focusing on them.

Barnes: We also, Ms. Rosado, a couple years ago saw a breakdown within the MWSBE categories the diversity of those entities so it would be helpful to know what that looks like as well.

Phipps: Is it within this category that we can identify based on complaints from people that might say they have difficulty finding and attracting eligible MWSBE participants? Is it at this stage that we would identify any holes we might have in expertise and try to help offer or suggest avenues of training to get to certain skill sets to be in a pool to add this? Is that a part of this whole concept to make sure that we have adequate coverage in all areas to be able to have people to be in a position to even bid on contracts and things?

Rosado: Let me make sure I understand, so of the 876 total MWSBE's, is it your question that what are our efforts to get them ready to participate?

Phipps: Right, if it has been identified that despite best efforts they cannot maybe find eligible participants to be able to have the necessary skill sets to be able to qualify. Are we looking at that pool to make sure that they have the capacity and given the opportunities, even through additional training opportunities that might be available, experience criteria to try to build capacity to be in a position to be able to bid on some of these projects?

Rosado: We actually do a lot of partnering with community organizations that we call our community partners. For example, CPCC one of the great things that we do is we partner with them and we pay for up to \$300 a year for our SBE's to take classes at CPCC so they can build their capacity so that if they, for example, are really good, you could be a really great landscaper and you know the business and you know the work but you may not be good at managing your accounts or your cash flow. We'll partner with CPCC and actually pay for that SBE to take a course at CPCC to improve that aspect of their business. We do partner with a lot of our community, we partner SCORE as well if they need help in developing a business plan, we will send our SBE's and MWSBE's there to work with people who are experts in this type of area and get them the exposure and experience that they need.

Austin: Of the 876 are all of those local businesses and does it muddy the water if we expand beyond our own Charlotte region? I don't know how that impacts all of you, but can you share some of that?

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Rosado: According to the City Council adopted policy, the City Council has identified our local area as a business that is headquartered in one of the 13 counties in the Charlotte region. So that has been the City's definition. In order for us to set MWBE goals on projects specifically, MBE goals because we don't set a W goal on construction sub-contracting, you have to look at your relevant market area. The relevant market area defined by the Disparity Study consultants that were done doesn't use the headquarter criteria; it has to have an office presence so a business to be recognized in our relevant market area which is that 13-county Charlotte region has to have a business presence in the Charlotte area which could be mean an office. However, City Council really wanted to focus on those businesses that are headquartered here, managed and controlled here so that is how the policy is currently written.

Austin: I assume our guests here have some questions.

Barnes: Historically we don't take comments or questions from the audience because it can turn into a free for all. There are times that were tough so this may be one of those.

Austin: I just wanted to gain a better understanding, would it be hurtful or helpful to have more individuals in that pool, can you share?

Stephanie Berwald, MMCA: For MMCA, we have actually had this conversation with Nancy; it would be helpful to expand it because it increases your opportunity to set a higher goal and have a bigger pool of companies to pull from. Our opinion is that it would be helpful.

Austin: I was just trying to get a better perspective from our business owners so I'm trying to understand if it hurts or helps so it sounds like it helps.

Kimble: Great question, perfect question to ask. Past Council's, I think SBE and then when it became MWSBE it has probably been referred to this Committee about every two years and this issue of what is the area of capture has been discussed and debated probably four different times since 2003. It has been a great conversation and the counter balancing argument has been keeping the money more local with local firms but that is balance against the opportunities that would be provided if you expanded the geography. It is a Council policy that we follow and that you can have that debate and discussion anytime you would like regarding the MWSBE Program. Past City Councils have had that discussion and debate and come up with the MSA, the 13-county area that forms the Charlotte region. It's a policy discussion and a policy decision.

Rosado: I will add Thomas Powers, our legal attorney, wanted to make sure there was an understanding and that I express this that the 13 counties we really have to use the CSA but where there is latitude around is relaxing the headquarter requirement and making it a business presence so that if there is a company that is headquartered, for example, in Greensboro but has an office presence here and if they do considerable work in Charlotte that legally would be acceptable. If you are looking at expanding it outside of the 13 counties and bringing additional counties in that could be a legal issue that would have to be considered as far as the risk of doing so. Did I express that adequately?

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Powers: Yes, if I can kind of piggy back on that last point; with the MB Program, you are looking at trying to remedy the disparity between the actual utilization and the opportunity. The concern that I would have is that if you happen to expand into a point where you are just letting anyone in, you may get into the point where this is not nearly tailored to the discrimination that you are trying to remedy. That is one constitutional issue that I would have a concern about if you open up state-wide whereas most of your dollars spent we can show from a....standpoint within 13 counties and then you start opening up to anyone, let's say along the coast, that may make it an issue in regards to defending this program if we were challenged.

Lyles: As a follow-up, I guess some of it is depending on if we are addressing just the remedy for the MWBE versus the SBE Program so there is some leeway I'm assuming in how we define and who is in. I understand the 13 counties, but I still think there is enough room for a policy discussion around this and I would like to see that.

Barnes: Meaning you want to expand it?

Lyles: I don't know that I want to expand it but I would like to have a discussion.

Barnes: I was trying to understand what you said.

Lyles: I would like to have the discussion on the policy.

Barnes: Can we add that to the follow-up?

Kimble: Follow-up is every two years and this is our two years.

Barnes: I've heard it argued on both sides.

Lyles: There are arguments on both sides, but I think we ought to weigh them and figure out what the time is.

Austin: We need to flesh that out.

Barnes: I agree.

Phipps: Do we have a breakdown of where the businesses are within the 13 counties?

Rosado: Back in September when we presented our last update, there were about the same number, or a little bit less, about 840 MWSBE's in the system and 76% of them approximately were headquartered in Mecklenburg so the vast majority of the folks that participate in our program now are from Mecklenburg County and the Charlotte area.

Real quickly this is just additional customer service perspective; in the first six months our CBI Office has participated in more than 30 community outreach events consisting of presentations that we've spoken at, the meetings that we've attended of MMCA. We hosted a Bojangles and Time Warner renovation project in collaboration with Engineering & Property Management who came and spoke to

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our MWSBE community about opportunities that are coming up on that project. We are working now to coordinate the 4th Annual Crowns of Enterprise Awards reception that is going to be taking place in May. We are developing a stakeholder survey that we will be released in June to our MWSBE community.

With regards to internal operational efficiency, we've engaged departments for the first six months in 79 formal solicitations. Those are the ones that you see in your Council Agendas and of those 79, 26 of those contracts were actually awarded to 30 MWSBE's as primes totaling about \$15.3 million and you may wonder why 26 and then the 30; some of those had multiple awardees and so there may have been more than one MWSBE being awarded or considered for awarding in that particular action. Again, of those 79 formal solicitations that we worked with the departments on, 63 of those contracts were with MWSBE sub-contracting commitments totaling \$11.4 million.

Mayfield: Thank you for this; I like the numbers, but when you come back, it would also be helpful to have a little more detail of that breakdown. An example, saying that out of the 26 contracts, 30 MWSBE's end up with this amount. What was the total amount of bids that we put out there? I know one of the questions I repeatedly asked is an example which Ms. Rosado and I were looking at one earlier, just as an example, out of \$800,000 total contract amount \$54,000 is the amount that is identified for MWSBE's and that \$54,000 is being split between six companies so that is less than \$10,000 so you are doing the work for minimal amount so it would be helpful to know that total amount so when those contracts went out for bid, what was the total amount of all of those contracts. If we are saying that MWSBE's were able to capture \$15.3 million but we spent out \$300 million in the total bids, that is an extremely small percentage and I think we still have some room in how we are moving forward to grow our MWSBE's. It would just be helpful, I know, for me to look at the actual numbers that we are comparing.

Barnes: Point of clarification; the \$11.4 million is within the \$15.3 million?

Rosado: No, the \$15.3 million were the City contracts directly with the prime and the \$11.4 million are sub-contracting opportunities.

With regarding to internal operational efficiency, we were also working to develop internal CBI pilot policy guidance documents so that we can ensure that all our departments are doing the same format, in the same way at the same time.

Organizational capacity – you can see that Randy Harrington is sitting here at the table because our CBI Office effectively transitioned under the CFO so this will provide the CBI Policy increased opportunities for leveraging the policy across the organization. We are already talking about how we can imbed the CBI process into the budget conversations so that we have a better sense of what is coming up in the pipeline to help identify those opportunities early on in the process.

On the economic development community impact side, we have established and kicked off the Community Input Committee; it was kicked off in October; it's a sub-committee of the City's Business Advisory Committee. This is one of the ask that came out of the ED Committee when the CBI Policy was adopted. We've engaged the Galilee Agency to facilitate the CIC strategy again wanting to make sure that we are being strategic and that the CIC's efforts are in line with the CBI Policy and the

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outcomes that our Council and the community want to see. Since October, the CIC has met about four times and developed its mission as well as drafted strategic outcomes and goals. Those goals were then presented to the community during the community outreach meeting so that we could bring their feedback to really begin the conversation to say here are some items that we know there are opportunities to improve upon and what are your thoughts, are we right or is there something missing. Brenda with the Galilee Agency was engaged in that process and facilitated that meeting on March 11th; there were 32 community members that attended the meeting and the feedback concentrated around five areas which was access to opportunities, accountability, education, bonding and access to capital. I will now hand it over to Brenda so she can talk about the feedback that she heard from the community.

Barnes: Welcome, Ms. Anderson.

Anderson: Thank you. As Nancy indicated, the community outreach meeting that was held on March 11th was part of the strategic development process for the Community Input Committee. Once the Committee had defined its mission, which you see here on the screen, we began to develop what we would consider as breakthrough outcomes, looking at the CBI Policy and the strategy, the Community Input Committee came up with five areas of focus that they felt would be necessary. You see those on the prior slide, access to opportunities, accountability, education, bonding and access to capital. From that, we put those particular focus areas in front of the outreach stakeholders that were at the meeting and we asked them to look at the outcomes, look at the potential goals that had been drafted and the potential goals that had been drafted and the potential or proposed initiatives and then we asked them for their feedback.

Just as a quick overview, these are the members of the actual Community Input Committee and as you can see they are representatives from the Business Advisory Committee as well as other community diverse stakeholders across the region. From the different focus areas, we asked specifically the question to those who were attending the meeting on the 11th, what are the actions that the CBI Policy or the CBI staff could take in the next six months to move this process forward because that is one of the things that we continue to hear is that are we moving forward, what is the progress of implementing the policy and getting the type of results that we want to achieve. What you see is what came out of that discussion or the actions that the different breakout groups had as far as what are the things that access to opportunities, what are the things that need to be done in the short-term. Some of the things will of course be more long-term because of some of the things that will be required to make that a reality. The bullets you see in red represent potential actions that may be taken by the CBI staff to address some of those things that were recommended. For example, looking at certification eligibility criteria and saying what are some of the things that we potentially may do to address that such as expand the geographic area, the conversation you just had, looking at the eligible requirements as it relates to financial as well as prior work experience. That potentially could be something that we would be able to do within the next six months. Certainly what happens next step is to take all of this information back to the Community Input Committee, have further discussion around that and get their validation on it before we move forward with it.

Barnes: Could you just explain briefly what the increased financial eligibility requirements mean?

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Rosado: There were comments from the community that wanted us to consider increasing our requirements around who can apply for SBE certification so right now we have personal net worth standard of \$750,000, which is one of the financial requirements. The other financial requirement looks at the size of the business and we currently will only certify small businesses and define small businesses as having a quarter of the SBA size standard. For an industry like general construction for example, if the size standard is \$21 million your growth revenues can't exceed \$7 million in order for you to get certified as a small business with our program currently. There was conversation about increasing those requirements.

Barnes: Higher?

Rosado: Yes, higher so that more people could be eligible for certification. Some of it had to do with the capacity issue. If we want to see SBEs winning contracts as primes they have to be able to bond certain projects and when you are on a smaller scale you just can't bond a project that's a certain size so it had to do with it would be great to see more SBE's winning these opportunities but the current requirement doesn't allow for them to participate as an SBE if they exceed that standard.

Barnes: So the last one there allow for prior related work experiences, explain that one for me.

Rosado: That one, in order to be certified as an SBE, you have to have one year's work experience and in an active business so there were some individuals who were saying I've done this work for 20 years for somebody else working in another company and then I broke off and started my own business and you are making me wait a year before I can be eligible for certification. The requirement is really making sure they know how to run their own business so they can do City work and have the capacity. That was the rationale for having that one year requirement.

Lyles: Under the eligibility criteria, I heard Mr. Kimble say that we've done the geographic every two years. Have the other two been looked at recently or are they a long time ago?

Rosado: Recently when the CBI Policy was adopted, there were conversations around increasing the financial eligibility requirements; actually the Disparity Study, one of the recommendations from the consultants was to increase the personal net worth, but the City Council Members at the time decided that was not the route they wanted to go.

Kimble: Pretty active discussion on almost all of these points and it's not a bad to revisit them from time to time.

Lyles: I remember when these were first done.

Phipps: When we say expand geographic area; are we looking to expand it within the 13-county region or outside of that?

Rosado: My understanding from the community feedback was to add additional counties, expand it outside of the 13 counties and allow for other counties to be represented and participate.

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Phipps: In as much as we have 76% in Mecklenburg, I would think we have some opportunities within our existing structure to be able to expand. I would question expanding 13 beyond that if it came to that.

Barnes: I am with you and I think there were some issues Mr. Powers raised too that we could include in that conversation.

Lyles: The thing that I think about as we are building for example the intermodal yard, we are talking about report to the intermodal yard at the Airport; I often think about where your corridors of economic development opportunity and how do you strengthen your SBE's and MWBE's so they are able to participate and make those links work. Sometimes I think the geographic area is a governmental standard and I think about how does that look when you are actually doing the work. If you are on 77 and you are working really hard and you can come up there or come down 85, it just seems to me that builds capacity. I know this is a debate that we have to have but my view of it is that MSAs are standards set up for governmental purposes that are just kind of like how do we measure stuff for the Census or whatever and does it make sense for what we are trying to do for economic development especially when we are investing in so many of these opportunities at the Airport that relate to facilities that bring things in. It's another day, but I think there is something to be said overlaying SBE work with what they are doing in other ED work to make the opportunity for minority contractors to participate in the greater strategy. I think right now this is kind of a numerical effort and I don't know if that is sufficient enough to build the capacity of where we are.

Barnes: You are raising I think a very fine issue; if were to take a few moments to dig down into what Mr. Powers was talking about, I think we would discover why it is all numbers.

Lyles: I am not talking about MWBE; we could do SBE and have the same number requirement as a court justification.

Austin: Are we coming back to that discussion at another meeting?

Kimble: To be more clear on what I heard Mr. Powers said is that your Disparity Study was done on the ratio of availability and granting of those contracts to determine if there was disparity and it was done on a specific geography.

Powers: From what I recall based on the Disparity Study and looking at your spending and where it was going to and they determined that 80% of your spending with these 13 counties and that is how the CSA was determined and that was then used in terms of availability utilization and that disparity as well. That is how we got the 13 counties, based on where individuals were receiving money from Council to work in this project.

Kimble: We will bring back that conversation for a deeper dive into it with you so that you can understand it and ask the questions and decide how you want to move forward.

Austin: Is that going to be in within the next month?

Kimble: Whenever your schedule will allow it with your other items on the agenda.

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Barnes: I would hope that we could do it within the next three meetings.

Kimble: It is good that you meet two times a month.

Anderson: Of course that is one of the reasons why it is identified as something that could happen in the next few months.

Around accountability, you see some of the recommendations; just note that those things in red highlight are things that we believe we can start focusing in on over the next six months to move forward, making sure that the different departments are adhering to the policy from your earlier discussion of looking at those opportunities and finding where there might be some increased opportunities for spending to move that needle a little bit more. The other thing that we heard; there was some discussion around payments and making sure that MWSBE's are getting paid. The CBI team is going to be looking at putting a process in place around compliance and holding particular sectors accountable for what they need to do in order to make sure people are getting paid timely. That was some of the things that we heard and discussed in the meetings.

Austin: Under accountability and I have talked to a number of folks, how are we ensuring that our majority contractors are actually doing what they are supposed to be doing with the MWBE's and do we have somebody who goes around and looks; just help me I'm trying to understand all of this because you might say you've got to do something but when it comes down to actually doing it and delivering it, I want to make sure that is really happening. How do we do that currently and in the future?

Rosado: Currently departments that own the project, manage the project so they have project managers that are monitoring to make sure the sub-contractors that were identified are on site are being utilized on the project. With regards to payments, before a prime contractor can get paid on any project they have to submit for every payment invoice a payment avadavat that is a CBI form that identifies all the sub-contractors that were utilized for the particular work they are seeking payment for and also tracks the utilization so it will say Jones Grading; the goal was to use them for we made a commitment of \$20,000 this payment that we are going to receive is for \$5,000 of their work so it tracks throughout the life of the project. At project closeout, we can monitor have they met their utilization goal and the departments really do a great job of doing that regularly to track and say oh wait you are not on track to meet your goal; what is happening, and making sure that they are meeting those utilization goals that they committed to up front. It is being done through a paper trail process of forms and again before a prime can get paid, they are monitoring that and they won't sign off on a payment to a prime contractor if there isn't enough documentation to support the sub-contractor's payment.

Austin: I'm going to chew on that for a moment.

Mayfield: I'm going to go ahead and preface this because it is not directly related to this, but when you just said something it triggered a question that I probably should have asked three years ago. We have a bid that goes out the prime bids on it, it is one of those where we have to accept the lowest responsible bid so then when it goes to the subs are the subs bidding on it?

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Rosado: Everything is done pre-bid so the City is going to build a parking deck and we put out the solicitation but before we put out that solicitation, we've gone through the engineers estimate to identify all the sub-contracting opportunities and the availability of MWSBE's to participate. We establish a goal for sub-contracting for that particular project. The project goes out to bid and primes have to do their Good Faith Efforts to make sure that they do everything possible to meet the sub-contracting goal we've established on that project. So they are accepting quotes from the sub-contractors for the sub-contracting opportunity to meet that goal that we've established.

Mayfield: So just for a little bit more clarification because I'm trying to picture this in my mind. When that bid goes out the sub-contractor knows that these opportunities for this grading where the amount we've identified we will pay \$25,000 or for this concrete is \$3,000 so the sub knows exactly how much the cost of that job is when they are bidding on it and I'm still trying to rectify in my mind how we have a total amount that's here but when it comes to the subs the amount that is identified will be somewhere down here. Do the sub-contracts know the exact amount of that contract? So it is \$600,000 contract and we've identified six opportunities for SBE's so we know for the land or the gravel the amount of that we estimated should cost \$3,000 or it is should cost \$250,000 out of that \$800,000 so out of that \$250,000, you are bidding on this piece of it or you are bidding on the \$250,000 because I'm thinking if I'm that business and I'm coming in and saying I want to bid on this part of that it then that means your prime, you are not doing this work so that line item that was identified when you originally submitted your proposal, that line item is now what's open for subs to go and bid on and my company is able to do this work so you are not doing it so that \$250,000 line item is what I'm actually bidding on or are we saying it is estimated \$250,000 but then that prime is going to go in and say we can do this part and this part so the only part we can't do is Part 4-F which is the value of the \$2,500 and that is what we are putting up.

Barnes: Let's say the City puts out a contract for \$1 million for whatever the work is and staff determining that at least 10% of that should be MWSBE and Kimble Construction bids on the project. It's up to him to call me and Al and Vi as subs to say look guys I have this contract for \$100,000 that has to go for MWSBE's. Barnes can you do X, Lyles can you do Y and Austin can you do G and then he responds to the staff by saying I can do the project for \$1 million and here is my bid and he ultimately wins the lowest responsive bidder so he gets the work. We are not bidding on the contract with him with the City, Kimble Construction is making the bid and Kimble Construction calls the three of us to say I need MWSBE's to do XYZ and we all tell him what our price is and he says perfect it will fit and then he responds and gets the deal.

Mayfield: Follow up to that and thank you for that clarification; so Kimble Construction identified \$100,000 that we said we have available but then Kimble Construction decides that I can do A, B, C and D so really what I'm actually contacting you three MWSBE's for is for \$5,000 of that \$100,000?

Kimble: It if is broken down to that.

Lyles: What she is saying is that instead of taking the sub-contracting opportunities the prime says I can do the work so he declares I can do the work and there is no need for sub-contractors.

Mayfield: I should have asked that question three years ago.

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Rosado: May I suggest and what we can do is come back to you and present to you and take a real life example of how we establish a goal and walk you through that entire process. I think that may be helpful.

Mayfield: Did you understand what I was saying.

Barnes: I did Ms. Mayfield; you helped me out a lot. Ms. Rosado, let's say the \$1 million contract and 10% is MWSBE, Kimble Construction says I can do \$95,000 of that \$100,000 myself and I will let Vi bring me in some copies and the other stuff they seem to do and that is so the MWSBE only gets \$5,000 and Kimble keeps the \$95,000 because he can actually do the \$95,000 himself. It shouldn't happen but does it?

Rosado: It doesn't happen like that.

Barnes: It would help us though if you all could site an example of where that has happened and you are willing to do that, I'm willing to hear that and the Committee is willing to hear it because we are trying to figure out to make the program better so if there are some specific examples that you all can provide us now of what Ms. Mayfield just raised and what I was trying to clarify I want to hear it because it will help us.

Pride Patton, MMCA: Believe it or not those prime contractors in the City; they can outsmart you. What has happened in this long process and everything that you all are talking about, it never changes the bottom line and you all mentioned it. The items that I am going to bid on can be concrete or it can be masonry or anything else they know the items that they are going to bid on. Now the bottom line never changes; they move money out of the items, the same that you all mentioned that we are going to bid on and when it comes to them they show them that our price was higher than theirs when they done moved the money up into items that they don't complete. That is how we get beat to death and that is hard to overcome. The bottom line never changed, the money just shifts around and that is where we are getting killed.

Barnes: Does that make sense what Mr. Patton just said?

Rosado: I understand what he is saying.

Barnes: Stephanie, did you have something?

Stephanie: If you got that example that is good.

Lyles: I like the idea of coming back on a contract because what I hear and experience in this area is exactly what Mr. Patton just talked about. There is not the trust in the process and the ability to actually hold people accountable for it so there is a shifting of money the opportunity to say I declare that I can self-manage this and that is where you get into at least the accusation that they shop subs and you have false front subs that go out and do this. This has not changed; we still get that every day so have we figured out a way to either say we know this doesn't happen or it is not happening or if it is happening this is how we remedy this. Those are the three things that I think where the money shifts, where you get to say they are not available and you say well I've got someone that

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perhaps you say that you've bid this but they don't really fulfill the work. Those are the three things that people have said about our contracting process.

Austin: You talked a little bit about this Good Faith Effort process and I'm still trying to get my hand around it; if you are saying that we have minority contractors and contractors in 13 counties, I can't imagine why someone wouldn't be able to fulfill that with 876 people kind of there ready and available and willing to work. We see it often in our Consent items where there was a Good Faith Effort. I can't get my hand around that and somebody not having an opportunity if we've got so many people in cue.

Rosado: The 876 they are in a vast majority of categories so they are not all in construction; they are in construction catering service, supplies; 876 in a variety of scopes.

Austin: Of that 876, what kind of categories are they grouped in?

Rosado: We presented that in September and I can get that back for the Committee. I don't recall the numbers.

Austin: Are most of them in catering?

Rosado: No, I have to go back I really don't want to say a number but a lot of them are in other services which could cover janitorial services, landscape services; a lot of them are in construction as well so I can bring those numbers back to you because I don't have them.

Kimble: I think we probably need some offline time with each of you to walk you through too in advance of when we bring it back so that you have a deeper knowledge of how we go about the program.

Austin: I remember a very convoluted conversation around good faith and how many calls we had documented and what not. I can't just fathom that; with some many people over here that are ready and willing and available, I'm having trouble with that.

Kimble: Good faith has been discussed every two years and it's the legal defense.

Austin: I don't have those wonderful years.

Kimble: You are correct so it doesn't look like it is a mandate. It is a goal and there are a lot of issues around that legally.

Barnes: It is 1:15 and there is a Budget Committee meeting at 2:00, so I'm not rushing us because this is great conversation but let's be mindful of the time. We have one or two other items.

Anderson: You see the bonding was something we talked about that earlier as far as looking at that as an opportunity to move forward and taking some action.

Barnes: Are those considered feasible by staff?

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Anderson: Engaging bonding legal consultants, I think Mr. Phipps asked about education. We heard specifically about getting someone in here to work with people one on one to help them figure out what are the opportunities to help develop their bonding requirements so that's what we see as something that could happen in the next six months.

Speaking of education again we heard from the community around more education opportunities to help understand how to qualify and compete for City contracts and so we are looking at what specific education opportunities to address the ones that we heard in the outreach meeting. The other continues to be something that we discussed and I heard from this Committee as well is an Mentor Protégé Program, looking at that as a viable opportunity and then looking at the budget history so we can see what projects have been awarded and what those prices are and how to be competitive as it relates to those particular projects in the past.

You have heard about the access to capital was a major discussion and focus area, looking at quick pay and early payment arrangements and you heard Nancy talk about some of the mobilization efforts with the loan program and looking at that closely to see what other opportunities would be available to provide access to dollars and mobilization. The next meeting is scheduled for April 2nd for the Community Input Committee.

Rosado: The next task for the Community Input Committee is to come back and review the community feedback and compare it to their draft strategic outcomes and goals that they have established then we are going to have the CIC, which are representatives of the community and these member organizations create these sub-committees around these prime priorities so we can begin to say what are the short term and long term strategies and things in action that we can do together and that the CBI staff can do as well. That's what the Community Input is charged with and their next meeting is April 2nd. The CBI Office in the meantime is working to finalize the FY16 Department MWSBE's goals. We are also in listening to the community's feedback we are going to be implementing quarterly project outreach events beginning in June so we will begin to work with our departments together to have one outreach meeting that all the departments can come to specifically in construction, to say these are the construction projects that are in the pipeline and really kind of introduce those items and get the community prepared for those opportunities so they can in turn ask questions of City staff as well. We are looking to host an education summit in October that is going to provide information to address that education question around bidding, estimating, how to do business with the City, what are the City's requirements around bonding for example, and then bring in someone that can do that legal and bond clinic consulting one on one to really address the individual particular needs. We will be looking to increase efforts to monitor prime MWSBE inclusion efforts; we work with departments already on that but we are going to have to continue those conversations to improve that process. Then launch the Mentor Protégé effort by January 2016.

Barnes: Can I ask you a question about that? I have had some passion around that for years now and I may not be here January 2016 so I will ask it while I can. Have you found that the prime contractors are interested and willing to meaningful participate in a program like that?

Rosado: We had a Mentor Protégé Program effort a few years ago and what we found was that it wasn't as effective so that was one of the reasons why we said we need to really take a step back and really look at what do we want to get out of a Mentor Protégé Program; what is the carrot that is

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going to entice these primes to be mentors to our MWSBE's so that is one of the tasks that the Committee is really charged with. We have representatives that represent the primes as well as the AGC representatives and have the discussion about how we can structure the programs so they can provide meaningful results.

Barnes: And it was obviously also a prior slide and may not have understood something that actually happens with that.

Rosado: With the Mentor Protégé?

Barnes: Yes because I think there are a lot of opportunities for people there to field those connections.

Phipps: I had a question about the practice that Mr. Patton was talking about. Do we consider it to be an unscrupulous activity to potentially reallocate funding within a big contract? Do we consider that to be something that is unscrupulous and if it is something that we expressly prohibit in our language and documents when we put that out?

Rosado: The response is probably going to take longer but when we set a goal on a project, the prime contractor has to either meet the goal or earn the Good Faith Efforts and the Good Faith Efforts are simply put a menu of ten items that if the prime contractor did take these steps and measures, they should be at a place where they could meet the goal on a project. When we set a goal on a project those are just like opportunities that the City has identified as sub-contracting opportunities; they are not mandated to meet the goals with just those opportunities, they can meet the goal with other opportunities that they may identify that we haven't identified. So as long as they can document that they have met the goal or document that they have met the good faith effort and actually were striving to meet the goal then they would win the contract. However, I've said this many times before in the span of a year the vast majority of projects and primes actually meet the goal of contract and they are not awarded through Good Faith Efforts (GFE) and we've done this presentation in the past where we've seen in a two year span; there may have been four projects that were awarded through GFE and the remaining were actually awarded where a prime met the goal. We can definitely do that analysis and bring back; I would say in the last two year span there have been X number of projects where the bidders met the goal and X number where they were awarded through Good Faith Efforts. I don't know if that answers your question; I would say that the action is unscrupulous but we wouldn't reject a bid because of it.

Barnes: Let me put some words in Mr. Phipps' mouth; if we find that Kimble Construction consistently does that there should be some red flags. Remember a few years ago, I caught out one of our primes that actually created its own SBE and was bidding on work itself and I called that out and you all put a stop to it.

Harrington: It is certainly the letter of the policy but also the spirit of the policy and that is very important as well. We recognize that and hear that.

Barnes: Thank you Mr. Harrington. I'm not trying to rush us off the topic if there are other things the Committee has on the topic, let's talk about it. Mr. Phipps do you have anything you want to add?

Phipps: No, thank you.

II. FY2016 ED Strategic Focus Area Plan Discussion

Kimble: We will bring Bill Cronin, Economic Development Director back up to the table; you have had one short review of this and we are trying to get ready for your April 6th Committee Retreat to talk about the Focus Area Plans so we wanted to take a little bit of time to get feedback from you.

Cronin: You have before you in your packets today a draft of the FY2016 Focus Area Plan and if you recall in the last meeting we discussed that this is to kind of tweak year but it gives us the opportunity to go in and make some adjustments as well as take a look at those super measurers. I'm reminded that the super measurers the last meeting was the first time that the Council had actually got to see some of those measurers that were developed back in November of 2014 as a way to have a measured impact on some of the larger items that were initiatives for FY2015 at that time and now we are into FY2016.

I think in the interest of time maybe the easiest is to focus on the Focus Area Plan amendments, the items that are highlighted in red as tweaks and not just the Plan itself but also to the super measurers and we do have at least time in one more future Committee meeting to finalize this and accept it before the submission of I believe April 6th when the final plans need to be done to present in their entirety to Council.

In the first key indicator that has to do with facilitating growth in small business and high growth entrepreneurs in our community, we amended the key indicator items to include our Small Business Services Program to match companies with City needs and utilizing Code for America Charlotte Brigade to create innovative solutions for City government. This came up at Code for America last year; I'm not sure everyone realizes that we have a brigade here now that meets monthly and there are several of those individuals who meet in our building and have the ability to work on problems and provide solutions that the City may have.

The next suggested amendment was participation in community collaborative to advance technology and promote digital inclusion to startup companies in light of Google Fiber's planned investment. Google Fiber is focusing initially on the residential areas; this also does include that because you could have some cottage industries and some startups that actually come out of residential.

The next item is implementation of key Immigrant Integration Taskforce recommendations as approved by City Council. This item is simply making room once those recommendations have been heard and which have been adopted or recommended that we have a place hold for them in next year FY16 to be able to actually implement some of those.

The next initiative is the promotion of holistic development and targeted business districts in neighborhoods. We added a couple corridors; originally just had the Applied Innovation Corridor, the Eastland area and the Freedom Drive area so we have included northwest corridor and West Boulevard corridor.

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Barnes: We may have talked about this I don't remember; we added the northwest corridor and the West Boulevard area, we had Eastland and the Applied Innovation Corridor. One area that I think is missing and it is what I call a doughnut hole area is this area along Tryon Street from roughly Craighead to Old Concord Road. It's outside the Innovation Corridor and it is also outside of the Blue Line Corridor because the Blue Line comes up Tryon at Old Concord so once you are south of Old Concord until you get to Craighead there is nothing planned in that area. Once you get south of Craighead going towards uptown the North Tryon Area Plan I believe applies to that stretch of Tryon Street going to uptown. There is an area in there that is in need of something and it is in Districts One and Four I believe. If you drive it you will see what I'm saying.

Cronin: I know where you're talking about. This item was just siting some examples do we want to name that somehow to include it?

Barnes: You could technically name every part of the City so the question is we've listed some areas at least four areas specifically and added two. Do we add areas or leave the names out?

Lyles: This is kind of like small area plans targeted businesses and neighborhoods. We have great needs and I don't know we sort and prioritize. I think the examples noted here are important but I think it us just that. There are examples that need to follow something in our corridor program or where we are investing in planning because to me you want to work the entire area for livability and jobs and all of that together so I'd rather have the example and I don't know what the process is and how we do this, but somehow to sort ought to follow our capital investments plan, our investment in transit and area plans.

Barnes: Right now it says private investment stimulated in targeted areas of opportunity. Could we then say examples include the Applied Innovation Corridor, the transit corridors, and the business corridors? I'm trying to cover those areas specifically.

Lyles: I'm trying to say if we can figure out how we do we ought to put what we are doing on the page. I don't know how you define those investments right now.

Barnes: They are maps of what I'm thinking about.

Kimble: We have the Business Corridor Revitalization geography that was described in your work back in 2007 and that geography still lives and all of these are examples inside that.

Barnes: I'm saying rather than list these areas use the revitalization corridors, otherwise the district representative could do what I just did, name that street that needs help.

Lyles: That is what I was looking for.

Austin: Can I take another look at that; it might be because I spend so much time on the northwest corridor and I really feel like it is an area that needs some intense focus I probably tend to want to list those so it is clear as we move forward that some intentional direct help needs to be in those corridors as opposed to doing a generalized statement. I think it is important to specify exactly what we are going to do. That would be my perspective.

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Barnes: I think you are right; what I'm saying is within the business revitalization strategy on corridors is the northwest corridor. It is already in there so is West Boulevard, so are parts of Tryon so are parts of Central, I believe. So there are parts of what you just described already under that umbrella of business revitalization corridors.

Austin: What I'm concerned about is you made a statement earlier; going into January 2016 so I want to make sure that whoever sits in this seat of District Two is clear that some focus attention and efforts are in that corridor.

Barnes: I understand it is there.

Lyles: I would suggest that private investments stimulated the target areas of the business corridor revitalization.

Cronin: Into the next initiative which has to do – it starts out described as working with the university's education system, local industry partners, other economic development partners to drive global competitiveness in the energy, finance, information technology, logistics and advanced manufacturing sectors. This has to do with the business recruitment aspect, the job creation and the capital investment but it does indicate that we work with our partners to do that in those targeted sectors that were identified as part of the Business Investment Program. The tweaks to that particular item include an expansion of the strategy suggestion for the global logistics center strategy around the Airport to including working with the Airport's new Economic Development staff once they are in place, also increase leads for foreign direct investment from the International Cabinet and through our International Relations Office. Also included something that we talked about last meeting and that was the re-tooling of the Business Investment Grant Program to better align with business needs, partner programs and desired outcomes.

Lyles: The one that I don't see here is jobs and I don't whether it is incorporated in any of these but the whole point of working with the sectors and with the job development is to increase the number of jobs we have and new jobs and not net new jobs.

Cronin: That is included in the targets for that item so we are talking about that initiatives in next steps.

Kimble: That is how we are taking up its relation to jobs; we're picking it up in the targets.

Cronin: When the initiatives were made, the key indicators were put in place to give Council an idea of some of those things, what they looked like in order to get there. The next page includes the super measures and actually has the goals and those targets that were created that align with that.

Lyles: I understand the measures but I'm reading the initiative and if I had just read the initiative I wouldn't know that they were trying to get jobs. That is what I'm saying; it says work with universities to drive global competitiveness; that could mean technology or a number of different things.

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Barnes: So work with universities and the education system, local industry leaders and other economic development partners to drive global competitiveness in job creation in the energy, finance, and information technology.

Lyles: And I am going to speak to your point on the measurements; I think we are still talking about net new jobs.

Cronin: Yes, that is right. The next item was discussed briefly last time as well and this is the apprenticeship aspect and the increased number of work experiences through the Mayor's Youth Employment Program, also the creation of an apprenticeship strategy and that sentence is small but it is a much larger task that we are talking about; it's everything from working with our partners to looking at those levels whether it is K-12, whether it is young adults working with the technical schools and community schools, working with the COG, working with UNC-Charlotte and also looking at for example the Mentor Protégé program that we just discussed might be able to fall into this as well. The first step is really getting our arms around what landscape looks like right now and have a strategy in place so that no matter where you are at in that spectrum, we know exactly where to place those people and where an apprenticeship program might fit for that particular need or industry.

Mayfield: We are also working closely with one or two people that we have in MYEP right now and I know they are running into some challenges with some of our businesses not being a part of the Mayor's Youth Employment Program or being a little more selective. I know we have one particular business that we are working with where they are working with students from Myers Park directly and since the Mayor's Youth Employment Program is really focused on the diversity of the community, there hasn't been the opportunity for real conversations for them to come on board and be a part of the Mayor's Youth Employment Program. I am just wondering if you need anything from Council to help with some of these conversations since some of these business partners have received tax dollars for their development and/or expansion but when we are looking at how we are really trying to help support our youth and give them access to training, some of those same partners have quickly forgotten the part the City played in their development whether that was infrastructure or however the case was. If there is a way to assist then to reach out to us to give us an opportunity to be a part of those conversations.

Cronin: The last item the only change on the key indicators was adding the sport soccer which was not included in the first list. On to the goals and super measures, the first measure has to do with the 10% MWSBE City-wide direct spending requirement. As we've heard today, we may see a change in that based on the presentation today.

Kimble: Pushing it higher if we can.

Mayfield: Going back to adding soccer; have we done any studies around rugby?

Cronin: No we haven't.

Mayfield: Mainly because we are getting a lot of rugby championships in college and high school and different things so that might be something where as you are breaking down, you might want to look to see if there a financial impact there.

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Cronin: So would you like for us to add that?

Mayfield: Yes rugby and lacrosse.

Austin: Mr. Kimble, I have a question going back to some of the challenges that Councilwoman Mayfield talked about with the Mayor's Youth Employment Program. Do we have a way or do we encourage through our Business Investment Grant Program to partner those businesses that are coming in so they understand that this is important to us? I know you don't want to add on more stuff.

Kimble: We sent out a list to you from your request at the last meeting that we did and that section is encourage for youth apprenticeship and summer programs.

Cronin: We did add a goal that has to do with the first initiative and going back to that first initiative was to facilitate the growth of small business and high growth entrepreneurs in our community. We did feel that the CBI goal by itself addressed both aspects of small business as well as the high growth entrepreneurship aspect because we are talking about start-up companies and those start-up companies may not yet be eligible for some of the CBI work there so we added a goal to promote high growth entrepreneurs through increased communications and marketing and creation of a marketing and communication strategy to raise the awareness of Charlotte as a high growth ecosystem, but also to be aligned with that Charlotte Regional Fund for Entrepreneurship and some other programs that we are working on here locally as that program gets ready to start deploying some money invested in start-ups, it is important for us to push potential candidates into those programs.

Barnes: Point of clarification; Ms. Rosado, glad you came back. We were talking about an issue back to presentation under the Mentor Protégé Program that applies to companies as much as it does to people right? So if you have Lyles/Austin Electrical and they are trying to do work with us, they may need that mentorship as much as Vi might individually. Does that make sense? In other words, a small company may need help as much as individuals. I don't you all to think we were talking about some kid that just got out of CPCC.

Rosado: No, we are looking at existing businesses.

Cronin: The next item did not have a change and that is the 10:1 private to public investment as it relates to commercial revitalization and projects that we have in the area, public Community Investment Plan projects that we've identified but we have not yet started spending in that area. There will be of course some sidewalk and things like that probably in the near future, but some of those bigger projects that have not been agreed upon yet.

Kimble: Normally when you have a Tax Increment Grant or infrastructure participation to generate private investment.

Cronin: The next target was to create but we broke that into two targets. It was originally just the jobs and investment goal and those jobs and investment are in line with our partners the Chamber just like they were in previous years and we are going to amend that to say net new jobs. The first item that we actually spoke about at the last meeting and that was to create and adopt a new

Economic Development & Global Competitiveness Committee
Meeting Summary for March 19, 2015
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improved policy guideline for the Business Investment Grant Program. That is underway tomorrow at the Business Advisory Committee as the first sub-committee group, not committee, working group to work on some of those changes to bring back.

Working with community partners to establish a pre-apprenticeship program and an apprenticeship program; split that in to two targets as well. One was to continue the work we've done in the pre-apprenticeship program for Transit Maintenance so we don't lose sight of that and the other is to create that apprenticeship program as I mentioned earlier. The last item is to grow facilities and participate in amateur sporting events. That remains the same; we will add the rugby and Lacrosse sports to the description but that super measure was to grow the industry and the impact by 50% by the end of calendar year 2016. That still has another 19 months or so. That is it. We can bring it back in its entirety with the amendments for a vote for the next session.

Kimble: That would be on April 6th.

The meeting was adjourned at 1:46 p.m.

City Council
Economic Development & Global Competitiveness Committee

Thursday, March 19, 2015

12:00pm

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. CHARLOTTE BUSINESS INCLUSION UPDATE - 30 minutes

Staff: Nancy Rosado, Management & Financial Services

Guest: Brenda Anderson, President & CEO, Galilee Agency

Action: The Committee will receive an update on the Charlotte Business INclusion (CBI) Program and the work of the CBI Community Input Committee. No action is required.

II. FY2016 ED STRATEGIC FOCUS AREA PLAN DISCUSSION - 20 minutes

Staff: Bill Cronin, Neighborhood & Business Services

Action: Staff will propose items for recommendation to add or amend the FY2016 Economic Development & Global Competitiveness Focus Area Plan including revisions discussed from February 19th meeting, and if ready, make a recommendation to the full Council for adoption at a future business meeting.

III. NEXT DATE: Thursday, April 2, 2015 at 2:30pm, Room CH-14

Potential Topics:

- Grameen Bank Update
- FY2016 Economic Development & Global Competitiveness Focus Area Plan



Charlotte Business INClusion Program Update



Economic Development & Global Competitiveness Committee Meeting
March 19, 2015



Agenda

- **CBI Strategic Pillars**
- **CBI Outcomes Update**
 - FY15 MWSBE Mid-Year Results
- **Community Feedback**
 - Community Outreach Meeting
 - Priority Areas
- **Next Steps**



Charlotte Business INclusion Strategic Pillars



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CBI Outcomes Update

Economic Development: Financial

- Publish FY15 MWSBE Mid-Year Results (March 31, 2015)
 - Includes new MWSBE Opportunity Spend Measure
 - 10% MWSBE Citywide Direct Discretionary Spend Goal
 - MWSBE Opportunity measure defined as those purchases and contracts where there is MWSBE availability in the City's vendor database and MWSBE capacity to support the spend opportunity.

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FY15 MWSBE Mid-Year Results

Direct Prime Discretionary Spending with City Certified Minority Women Small Business Enterprises on City Funded Contracts

	FY15 (July 1 – Dec. 31, 2014)
Total Citywide Spend <i>(Discretionary Spend)</i>	\$226.2M
Total Available MWSBE Opportunity Spending	\$119.8M*
Total MWSBE Spending Achievements	\$12.7M
Goal: 10%	10.63%

**Dollars representing those purchases and contracts where there was MWSBE availability in the City's vendor database and MWSBE capacity to support the spend opportunity.*

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CBI Outcomes Update

Economic Development: Financial

- Access to Capital (Ongoing)
 - Closed nine (9) loans totaling \$519,000
- Department Spend Review Meetings (Ongoing)
 - FY16 Department MWSBE Goal development

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CBI Outcomes Update

Customer Service

- SBE Designated Contracts Strategy (Ongoing)
 - Issued four (4) contracts designated for SBE only solicitations with total value of \$469,953.
- Administered 156 SBE certifications and 67 MWBE registrations (July 1, 2014 to present)
 - 876 total MWSBEs in the City's vendor database.

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CBI Outcomes Update

Customer Service

- Participated in more than 30 Community Outreach Events
- Hosted Bojangles & Time Warner Renovation Project Outreach (March 11, 2015)
- Coordinating Fourth Annual Crowns of Enterprise Awards Reception (May 7, 2015)
- Developing Stakeholder Survey (June 2015)

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CBI Outcomes Update

Internal Operational Efficiency

- Engaged departments in 79 formal solicitations resulting in:
 - 26 contracts awarded to 30 MWSBEs as Primes totaling \$15.3M
 - 63 contracts with MWSBE subcontracting commitments totaling \$11.4M
- Developing Internal CBI Policy Guidance (September 2015)

Organizational Capacity

- CBI Office effectively transitioned under Chief Financial Officer, Management & Financial Services Department
 - Provides increased opportunities for leveraging the CBI Policy as an organizational initiative.

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CBI Outcomes Update

Economic Development: Community Impact

- Established Community Input Committee (CIC)
 - Kicked off on October 17, 2014
 - Sub-committee of the City's Business Advisory Committee
 - Engaged Galilee Agency to facilitate CIC strategy
 - Since October the CIC has met four times and developed its mission, as well as drafted strategic outcomes and goals.
- Community Outreach Meeting (March 11, 2015)
 - Attended by 32 community members
 - Feedback concentrated around five areas
 - Access to Opportunities
 - Accountability
 - Education
 - Bonding
 - Access to Capital

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CBI Community Input Committee

Community Input Committee Mission:

Identify challenges and solutions to ensure that the Charlotte Business INclusion Policy has a positive impact on the economic development and growth of certified MWSBEs.

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Community Input Committee Members

Milagritos Aguilar

Hispanic Contractors Association of the Carolinas

Julian Arcila

Hispanic Contractors Association of the Carolinas

Julie Ayers

National Association of Women Business Owners

Walter Baucom III

Metrolina Native-American Association

Stephane Berwald

Metrolina Minority Contractors Association

Nimish Bhatt

Carolinas Asian-American Chamber of Commerce

Wil Brooks

Charlotte Chamber of Commerce

Julio Colmenares

Latin American Chamber of Commerce

Noelle De Atley

Charlotte Chamber of Commerce

Sean Gautam

BAC Representative - City Council Appointee

DeAlva Glenn

BAC Representative - City Council Appointee

Will Peters

Charlotte Mecklenburg Black Chamber of Commerce

Ed Peugh

BAC Representative - City Council Appointee

Ed Roper

Metrolina Minority Contractors Association

Lester Selby

Charlotte Mecklenburg Black Chamber of Commerce

Jonathan Utrup

Charlotte Chamber, Young Professionals

Sandra Wallace

Carolinas Association of General Contractors

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Community Outreach Meeting Feedback

Access to Opportunities*

- Increase the City's RFP solicitation timeframe to allow bidders and subcontractors more time to review and respond.
- Issue smaller contracts to encourage MWSBE participation.
- Review MWSBE certification eligibility criteria.
 - Increase financial eligibility requirements; expand geographic area; allow for prior related work experience.
- Hold quarterly project outreach events.
- Implement local vendor preference.
- Set higher MWSBE subcontracting goals.
- Incorporate small businesses during the conception and design phase of the project.
- Seek out MWSBE related services opportunities (drug testing, security, etc. on construction and other projects).

**Bullets in red represent possible short term actions City staff can address.*

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Community Outreach Meeting Feedback

Accountability*

- Increase efforts to ensure Prime's are accountable for meeting MWSBE subcontracting goals and MWSBE outreach efforts.
- Increase efforts to ensure departments are accountable for adhering to CBI Policy.
- Support efforts to confirm MWSBE subcontractor payments.

Bonding*

- Relax bonding requirements.
- Engage bonding and legal consultants to counsel MWSBEs.

**Bullets in red represent possible short term actions City staff can address.*

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Community Outreach Meeting Feedback

Education*

- Provide MWSBEs education opportunities.
 - How to successfully qualify and complete City RFPs and RFQs
 - How to successfully estimate and bid a project
 - Blueprint reading
- Establish a Mentor Protégé Program.
- Provide project budget history so MWSBEs can see if their prices are competitive.

Access to Capital*

- Provide quick pay and earlier payment arrangements.
- Access to dollars for mobilization efforts.

**Bullets in red represent possible short term actions City staff can address.*

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Next Steps

Community Input Committee Meeting (April 2, 2015)

- Review community feedback and organize CIC subcommittees around the five identified community priorities.
- Finalize and prioritize potential short and long term actions to enhance MWSBE opportunities.

CBI Office

- Finalize FY16 Department MWSBE Spend Goals.
- Implement quarterly project outreach events beginning June 2015.
- Host education summit in October 2015 that provides information on bidding, estimating, access to capital, as well as a legal and bonding clinic.
- Increase efforts to monitor Prime's MWSBE inclusion efforts.
- Launch Mentor Protégé effort by January 2016.

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Economic Development & Global Competitiveness

FY2016 DRAFT Strategic Focus Area Plan

“Charlotte will strengthen its position as a city of prominence in the global marketplace by building upon its competitive advantages.”

To achieve its vision, the City must leverage partnerships to seize new opportunities in a global marketplace. The City’s economic development strategy will focus on:

- Developing a global logistics center at Charlotte Douglas International Airport,
- Enhancing relationships with our universities and education system to support and commercialize research and technology,
- Targeting industry growth in high-potential sectors, capitalizing on Charlotte’s unique profile,
- Developing neighborhoods and business districts to create places attractive for people to live and businesses to invest,
- Encouraging business expansion by streamlining the regulatory environment, and
- Preparing youth for employment success.

FY2016 Initiatives	Key Indicators
Facilitate the growth of small businesses and high growth entrepreneurs in our community.	<ul style="list-style-type: none"> • Increased utilization of the City’s web portal (CharlotteBusinessResources.com) to meet the needs of emerging and growing small businesses • Source solutions to the City’s needs from local start-ups and small businesses by using the Small Business Services program to match companies with City needs and utilizing the Code for America Charlotte Brigade to create innovative solutions for City Government. • Increased contracting opportunities for small businesses and local minority and women-owned firms through the Charlotte Business INclusion Program • Participation in Community Collaborative(s) to advance technology and promote digital inclusion to startup companies in light of Google Fiber’s planned investment. • Implementation of key Immigrant Integration Taskforce recommendations as approved by City Council.
Promote the holistic development of targeted business districts and neighborhoods.	<ul style="list-style-type: none"> • Private investment stimulated in targeted areas of opportunity. Examples include the Applied Innovation Corridor, the Northwest Corridor, the Eastland area, the West Boulevard area and the Freedom Drive area
Work with universities and the education system, local industry leaders, and other economic development partners to drive global competitiveness in the energy, finance, information technology, logistics, and advanced manufacturing sectors.	<ul style="list-style-type: none"> • Creation of a Global Logistics Center Strategy for the area surrounding the airport by working with Airport’s new Economic Development staff. • Increased leads for foreign direct investment from the International Cabinet and through the International Relations Office • Collaborative partnership with E4 Carolinas in support of Charlotte’s emergence as the center of a two-state energy hub • Re-tooling of the Business Investment Grant program to better align with business needs, partner programs and desired outcomes.

<p>Introduce youth young adults to employment opportunities with potential for long-term growth and development.</p>	<ul style="list-style-type: none"> • Increased number of work experiences and summer internships through Mayor's Youth Employment Program. • Community partnerships leveraged to increase the number of apprenticeships in the community • Creation of an apprenticeship strategy.
<p>Grow Charlotte's tourism industry through amateur sports development and programming.</p>	<ul style="list-style-type: none"> • Implementation of the Bojangles/Ovens Redevelopment Plan • Identified solutions for amateur sports needs such as swimming, tennis, baseball, and soccer. • Maximized utilization of community-use days at Bank of America Stadium and BB&T Ballpark.



Economic Development & Global Competitiveness

FY2016 DRAFT Strategic Focus Area Plan

“Charlotte will strengthen its position as a city of prominence in the global marketplace by building upon its competitive advantages.”

Goals	Super Measures	FY2015 Outlook
Promote diversity and inclusion of Minority Women Small Business Enterprises (MWSBEs) in the City's contracting and procurement through the Charlotte Business INclusion Policy	<i>Target: 10% MWSBE Citywide Direct Spending</i>	
Promote High Growth Entrepreneurship through increased communications and marketing.	<i>Target: Creation of a Marketing and Communications Strategy to raise awareness of Charlotte as a high growth ecosystem in alignment with the Charlotte Regional Fund for Entrepreneurship and other local programs.</i>	
Leverage public community investment plan investments with the private sector	<i>Target: 10:1 Private to Public Investment</i>	
Participate with other local partners to grow jobs and investments in the energy, finance, information technology, logistics, and advanced manufacturing sectors	<i>Target: create and adopt new and improved policy guidelines for Business Investment Grant Program.</i> <i>Target: Assist with recruitment of new business -Jobs goal: 5625 jobs Investment goal: \$458 million in incremental private investment in Charlotte</i>	
Work with community partners and approve an appropriately sized/resourced pre-apprenticeship program	<i>Target: Continue to grow Pre-Apprenticeship program for Transit Maintenance.</i> <i>Target: Create an apprenticeship strategy.</i>	
Grow facilities and participants for amateur sporting events in Charlotte	<i>Continuing to work through the expansion of amateur sports (indoor amateur sports, soccer, swimming, tennis, and baseball)</i> <i>Target: Grow the economic impact of amateur sports by 50% by the end of calendar year 2016</i>	