COMMITTEE AGENDA TOPICS

I. Subject: **FY2011/FY2012 ED Focus Area Plan**
Action: Discuss the draft FY2011/FY2012 ED Focus Area Plan and identify strategic initiatives for Council consideration that fall within the following four broad policy objectives set by Council: Small Business Development; Business Corridor Revitalization; Business-Friendly Government and Business Retention & Attraction.

II. Subject: **Discuss Next Meeting:**
Action: Thursday, January 20, 2011 at 3:30pm, Room 280

COMMITTEE INFORMATION

Present: James Mitchell, Patrick Cannon, Jason Burgess, Andy Dulin and Patsy Kinsey
Time: 3:30p.m. – 5:00p.m.

ATTACHMENTS

1. FY2011/FY2012 ED Focus Area Plan ~ DRAFT

DISCUSSION HIGHLIGHTS

I. Subject: FY2011/FY2012 ED Focus Area Plan

Chairman James Mitchell:
I want to thank everyone for being here today. It's nice to see all of your smiling faces. Happy New Year to everyone! Staff, I hope this will be a brainstorming exercise for us. The ED Focus Area Plan is the only thing on our agenda today. Ron will you or Brad get us started?

Kimble: As you know, we are a little late in getting started because of all the work that you have been doing as a Committee on other topics. You have been meeting twice per month for the last year with a number of topics that had to be taken down by you. You decided that you wanted to wait until after the first of January to really get this far; it's the only item on the agenda. Many of you served on the Economic Development Committee a number of years ago when you started with blank sheets of paper; we liked that concept. We don't have that much time since it's already January 13th and your agenda materials for the Retreat are going to go out on or about January 24th or 25th. You have a meeting next week that was tentatively scheduled for the 20th of January, but I don't think that is going to work because that is the North Carolina Regional Municipalities Legislative Day and Mr. Mitchell will also be traveling on National League of Cities duty. We will need to choose a different date for second meeting if you need one. We will get as far along as possible

today with the brainstorming and you talking out loud about things that you think need to go down on these sheets. Eventually if we have time today, we will be able give you time to use the dots that Angela has given you to describe how you are going to prioritize which items are most important to you. If we get that far then we will see if we need another meeting or if we can do it electronically and send out to you something to talk about after the Retreat. So that is the layout of the landscape; we liked the freewheeling method we used the last time around when we started with complete blanks. We thought given our compressed timeframe that we needed to put something up on these easels to start with then we are going to count on you to add additional items that you feel are needed for the Focus Area Plan.

Kinsey: Are these items on the easels from last year's Focus Area Plan?

Kimble: Mostly from last time, but we are trying to capture them in broader categories. The four categories were Small Business, Business Corridors, Business-Friendly Government and Business Attraction and Retention. Most all of the things in the Focus Area Plan the last two years have been in one of the categories or can fit in one of these categories. We also left another easel up there known as "other" and we can write anything down on any of these pages given where you are starting from today.

Kinsey: Is there anything on here that is not up here, this year's or last year's, so that we can check it off that we have reviewed it or that it is no longer pertinent?

Kimble: I would say that you have done studies like the Small Business Strategic Plan, now it's a matter of implementation. You might be able to check off that you have done one but you would not be able to check off that you have implemented everything in it. For instance, I think Amateur Sports on this one. The question is does it sit under Businesses Attraction and Retention and it becomes something that is layered underneath that. I don't think there is anything specifically that is complete and done and taken off the list all together, it would be in an implementation phase. Pat is there anything else you want to add on the lead in? We will have people scribing the ideas that you want to throw out to us and factor them in one of those four categories.

Mumford: What you have here is a draft and something that is not as entailed as the previous Plan. We are trying to keep this as a level of outcome measures. I was speaking to the Chair before the meeting; two years ago we were pretty descriptive with a lot of the measures and the world changed dramatically. We really weren't able to affect our approach because we did not have the capacity and again the world changed so much. We want to make sure that we have flexibility to build into the Plan. We want to build a broad goal but we don't want to be so specific on exact measurement that we get bogged down and can't control that. We did the same concepts as we did then. What you see in front of you was not to suggest that this is the absolute answer. These are up on the boards to get us started. To Ron's point, we are running a little bit behind. Ms. Kinsey, to your question, a lot of what you see here is based on historical effort, historical goals that the Council had established. This is the next generation of that or we see where we are headed because of some conversations we had with the Business Advisory Committee or the Small Business Task Force, so that is what has been incorporated into this. We can talk about these things; you see the asterisks on the initiative and then there is a notation of a measure or two for each one of these. We would like you to validate these for

category, bring up another category and then just start talking about whatever is important to you from an E.D. standpoint. This is just to prime the conversation and get things started. One other point, this sheet in the middle is a listing of all the funds currently at your disposal that are associated with economic development activity. The Business Corridor Revitalization fund's balance today is $17,000,000. This is the fund where you all appropriate $2,000,000 historically per year which goes into that general fund money in cash. It's a cash account. We have an E.D. Initiative Fund; this is a $20,000,000 bond, $9,500,000 of that is already appropriated for infrastructure improvement for North Tryon. You all approved that. There is $10,500,000 remaining that is for Capital Improvements. We have two Eastland categories; one is a $16,000,000 fund. Those were the NIP bonds passed a couple of years ago associated with infrastructure improvements on the Eastland site. Then there is a $1,000,000 fund that is a General Fund amount associated with that site work. We have $2,000,000 in loans and grants; the largest chunk of that is the Equity Loan Program, but we also have the Façade Program, Demolition Grant, Brownfield Grant, all that is in that $2,000,000. Then we also have $2,700,000 as a balance in the EDRLF, Economic Development Revolving Loan Fund. We are talking about that in association with Grameen. That is quite a bit of money and this will help you understand the capacity that we have to maybe carry out the initiatives that we have out there.

Cannon: What was the other half of the ten that we used for on North Tryon and where on North Tryon?

Mumford: It was between Dalton and 35th or 36th Streets for street improvement, sidewalk, curb and gutter to improve and enhance it for future improvement. That was in the planning and you all approved it.

Mitchell: Pat can we make sure that all of the Committee members have that same chart?

Mumford: Yes, we will get that.

Mitchell: So that we are clear make sure that we put Grameen in parentheses so that we know. Committee first at a high level, are we comfortable with the headings as they are on the charts? Let's have a discussion on the headings before we go further; Business Corridor, Business-Friendly Government, Business Retention and Attraction.

Kinsey: I can't read it from here but the Business-Friendly is something new, I believe?

Kimble: We had a measure in the Plan last year and it was talking about improvement in the permitting operation, so we expanded it to be more business-friendly and incorporated permitting under that.

Mitchell: Is that a thumbs up from the Committee that the headings are o.k.?

Cannon: What am I looking at in terms of Business Development, which one does that really fall under? I know we have Retention and Attraction. I guess Attraction is supposed to be the same thing as Development?

Kimble: That is Business Recruitment and Business Attraction, Business Retention, Business Expansion.

Richardson: I know you can't read it but what is on there is what is on page two in front of you. These are our thoughts to help you think today; I will walk you through these. The first one falls under the heading of Small Business Support, small business generally speaking.

Mitchell: Are you on page three Economic Opportunity?

Richardson: That's right. We have four Economic Development Strategies on the front and the back that align with these headings. The first one is the Small Business measure two under that category one is implement the Small Business Plan. This is the Plan you approved last June. What we have put upon the board as a proposed measure is to finish it. Let's start all of them by the end of FY2012 and complete the Plan by the end of FY2013 and let's update the Plan and get moving on that; so that is the first one. In the Small Business Plan, we can provide copies later to refresh you. There are a lot of activities such as the Small Business Web Portal, a bigger better Small Business Week, loan programs redone to make sure that they are meeting market needs. Business to Business Support, this is all in the context of the City convening a resource partner consortium; we have invested a lot of our time this year making and managing that group of resource providers in forming the Web Portal. We will be updating you on that at the January 24th Council Meeting. That is the Small Business Plan, the second one is related to the SBO Policy and we want to look at the recommendations from the Small Business Task Force that were presented to you. Remember Michelle Fish presented to you at a Dinner Briefing before the holiday. We want to take a look at the way we set the informal goals, the 12% goal. We believe that the methodology for getting that goal set has some flaws in it. The Task Force found the same so we want to examine their recommendations in setting our goal. Interestingly enough, we may not meet our goal this year of 12%, but we are spending more money with Certified Small Businesses in informal contracts and in formal contracts than we have before. The goal may not reflect that accurately so want your help and we want to advise you on how to set a better goal so that at the end of the day, no matter what the percentage is, you feel good to tell your constituents and your small businesses that we are spending more money with Certified Small Businesses. That is the second part under Small Business, there may be more that you want to add to that but that is what we have on the sheet now.

Mitchell: What about the Disparity Study? Is that under the Small Business Strategy Plan?

Richardson: The Disparity Study is not part of Small Business Strategic Plan.

Kimble: Is that what you want to do as an idea generation?

Mumford: This is for FY2012. Our goal was to have that completed in June which is FY2011.

Mitchell: O.k., I am fine with that. Committee, would it be better if we take each one instead of having all of them at one time with information overload? Is it best to deal with Small Business now or are you all comfortable going through them all at one time?

Dulin: One problem with that is if we get zeroed in on Small Business we start loading everything in there without seeing everything in the open field.

Mitchell: I just wanted to make sure everyone was comfortable with everything at one time. Jason you o.k. with that?

Burgess: I am fine with that.

Richardson: The next one falls under another major policy and that is Distressed Business Corridor Redevelopment. You will see on that we have a Strategic Plan that is three years old now and we need to revise and update it. We have that in front of you for approval and will work through Committee to do that. Our measure for FY2012 is to revise and begin implementation of this new Business Corridor Strategy, including the examination of the five priority corridors. What has changed in three years that might make us add to, delete

or sweep the boundaries, under the general heading of revised Business Corridor Strategy? There again, there are a lot of action steps that roll up to support the general theme of making these places better for business. On the sheet in front of you, I don't want you to miss the H&ND Committee; many of you are on that Committee. You have a cross reference measure that relates to the Business Corridor and it is how we use the funds. As Pat said, we want to leverage those funds at a very aggressive ratio. The sheet says one to five. The H&ND Committee with our discussion last week changed it to one to ten. We think using our money and leveraged private dollars as well as additional public dollars that may not be in these funds but may be in the City and County Park and Recreation budget. That would be used to connect greenways to developments, which is why we cross referenced that. It won't appear in this necessarily, but it is lying over there in the H&ND Committee. On to the third one, it's called Business-Friendly Government. This is another big idea but it is not dissimilar to what we have done the last few years and that is regulatory permitting, making it easier to do business. We have written this as a measure for FY2012 and that is to better understand the collective impact of City, County and State regulatory requirements to open or expand a business. We forgot to insert the clause and we intended to: "with particular focus on infill development". This is again to business corridors and where businesses are showing the most development. In talking to Debra Campbell in Planning, infill development has their own particular set of challenges as does green field development doesn't. Such as lot size and strength over infrastructure things of that nature that we think can be a disadvantage for those areas. That's why we capped this to be focused on that and streamline some of those policies.

Kinsey: After coming from ULI yesterday, to what extend to we have the ability to do this? The Planning has a lot of regulations, the State has many. How are we going to be able to do this? I am not saying we should not try. I think it's important that we do that, but it seems particularly yesterday that the State seemed to be holding up everything.

Richardson: We see this in a lot of different ways. It's not just land development and building permitting, that is only part of it. It's also how to open a business, what steps must we take if you have the idea and you want to bring a business plan to market, you want to open your doors and go somewhere. We want to make sure that you have the option to and it's not difficult to move into one of our business corridors or an infill development site. So this speaks to the start-up, land development regulations, and it certainly does get hard. But just because it gets hard doesn't mean it should be here because we think there are some things that we can do collectively and collaboratively with the County, and if we don't have it on here, we may not do it. We want it to be there for the entire City and drive change at the County and have you help at the State legislative level.

Kinsey: I can't see it too clearly; we need to word it so that people don't think that we can control what the County does.

Kimble: In the measures, we will put together an inventory of those regulations so you aren't stepping on anybody's toes at the State or the County. When you put the inventory on paper, you have to then work on it and what are we going to do about this.

Kinsey: We have been working on this for years.

Kimble: Yes we have and we still think that there is more work to be done.

Mumford: I think given the economic crisis we face on a local level it may be the best opportunity to show folks "hey, economic incentives don't have to be monetary, it can be about process". If we can reduce the bureaucracy or reduce us stepping all over ourselves getting in the way of small business expanding that won't cost us money. It will help because there may be people more receptive today because the money issue is so tight. To Ron's point, investigating what the opportunities are and carrying those out, we agree it's not in our total purpose; that is in the next step.

Dulin: Is this the area where we will be able to help people move through the new post-construction design and tree ordinance, urban street? That makes it harder to do business and more expensive rather than easier. If it will make it harder then we better be ready to step up and help somebody.

Mumford: The idea really generates that when this ordinance went through the design process and in context with the other ordinances that were happening. Or was it by itself? We recognize that we can do a better job of looking more holistically about the cumulative effect of ordinances and regulations and requirements. That's the idea you put them all on the board and say, "my gosh I'm a small business look at all these things that I have to do". Look at all these little nicks I get at the end of the day add up to a lot of money or a lot of time. So it's not just the point in time amount, but the ongoing process, ordinances and regulations are brought up. Let's have a better understanding of how in the contest of everything else that has been done.

Dulin: I got a call from a buddy of mine in Atlanta. This guy has a friend who is trying to redevelop and reopen the Penguin Restaurant. The friend doesn't know what to do because it has been difficult for him; this has been his worst experience in his professional career trying to reopen the Penguin Restaurant. The good news for us has been the Health Department, and when he said that, I was relieved that it was not our area. So I was able to give him people on the County side that could help him through the process. It's not a disconnect from us but this guy is a major business operator in our City and he doesn't know if it's City or County and he doesn't care he just wants things smoothed out and running to get his business opened. We really need for the City and the County to work together.

Cannon: I would say that Councilman Dulin is right; that has been an ongoing something for everyone every now and again. I dealt with the same issue probably three months ago. I literally had to walk it to the County floor to try to get something done. It goes to the point of having probably some better functional measures to take place some sort of way. There has to be some better functional measures to get to the point that Andy has raised, permitting and all that stuff. It is a problem, that guy is going to say to others "don't do business in Charlotte", not Mecklenburg County, don't do business in Charlotte because it's a hard place to do business. There is a better way and we have to find it. I think we need to sit down with the appropriate folks from the County and really hammer out how to get through some of this.

Mitchell: I think that is an excellent point. Ron, help me to a certain degree about the history about the consolidation. There has to be some consolidation when it comes to the permitting. Most of us went on the trip to Austin, Texas where we clearly saw what they did that was so successful with a designated person walking through it. I know when we got back

Councilman Lassiter and I went through the process here. There were two software packages and we said at that point leave it alone.

Kimble: We are continuing to make improvements, each of us in our areas and then make the systems talk to each other. We have gotten to the point that we can receive digitally submissions of plans, so we are making improvements to this, except possibly given the fact that we are in two different organizations. The cultures are a little different between us and the County. We still have ways that we can improve on our side the interaction between all the agencies and departments that feed into the permitting process, and we are working on those. What we are talking about is that we have got to put all of these on the table together and look at it from the customer's side and how can we improve it the best from the customer's prospective.

Richardson: The last one falls under the category of Business Attraction and Retention. It's a long initiative on the page. Jamie's done a good job with it. Work regional economic development partners in an expanded BusinessFirst Initiative to increase local sales and existing businesses in our region. This is another added BusinessFirst you are familiar with in the past Focus Area Measure. We have been graded on the number of businesses that we have visited, and I think that is fine, but it's not the highest and best call for a Program. I could go and visit fifty businesses and waste a lot of City time if I don't do the right thing. So what we are suggesting now is what we think. We met with the Chamber this week. They are our partner in this Business First Program. They are on board and have been for some time in this type of work. It is understanding where mid-size, large businesses or large and small businesses for that matter spend their money. Where do they source supplies? Where do you source raw materials? Are you sourcing it from another place that you could find locally? There are implications for small business growth such as buying/purchasing locally. It's all about design and implementation of an initiative including an inventory of local products and services. Measure the success of this by proving the dollar amount of contacts or sales that are generated in the County that otherwise would have leaked out to the other counties in the region. It's a different measure for BusinessFirst but we think is extremely hard but extremely impactful when we do it.

Mitchell: Let me just follow with the fact that it gets back to your point Pat, that we don't dribble down to allow staff flexibility. In light of the future merger of Duke and Progress Energy as we go forth, how does that fit into Business Attraction and Retention? We are talking about bringing our City into being the next energy capital so somehow I think we need to capture that and put that thinking somewhere. Does that fall into this bucket, Attraction and Retention to continue to push toward the energy capital?

Mumford: Yes, short answer. What we are proposing is to focus on those sectors that you all identified, energy being one of those sectors. So that we are not just all over the place, we are focused on what we are doing. It also gets back to the question that you had, "what do we do with these companies that we supported with Business Investment Grants"? Big company comes to town and opens a big manufacturing plant then we call those 300 jobs a success. We think there is a way to leverage those jobs and really drill down to what Brad was saying about the supplier component to this. Services and products and how do those 300 jobs get leveraged into support either start-up or small

companies here in town. We don't see that there is an entity making that connection to that and we think that is a really solid role for the City to play. In support of the SBO Program, but also broadly in support of small businesses and retaining jobs and growing jobs locally.

Dulin: I was just looking at the list of partners. It doesn't hurt my feelings at all that COG is not listed. I think they are redundant anyway particular when you read down into this group.

Kimble: Metrolina Council of Governments may take on a different role; they have hired a new director. They have more of a strategy that looks at the region in terms of air quality, environment, etc. That may take on a little different mission and role that may be a fairly important role for the region different from what they have been in the past.

Dulin: This would be for our budget talks about what we are paying them as opposed to these others. It's redundant now because we don't have to be Concord's Economic Development Committee group for Cabarrus County, Stanly County, Anson County and the others. They all are members of Ronnie's group.

Burgess: As far as developing a list of other companies that may be able to benefit from the business of large companies, are we planning on asking the large businesses to use the local companies?

Richardson: I don't think that is what we mean today. I don't mean to suggest that although you may recommend that. What I am saying is that we think that there are relationships that should exist and can exist locally that don't today. Business First, there is not much background, but for several years we have got the infrastructure in place. The Chamber provides sixty or so volunteers to help us get out into the community with the interview tool. For instance, staff does the face to face. We have some high level businesses that we try to and are willing to take and Council Members just to help us have high level conversations. But what we are really trying to do is to thank them for being in town, listen to them, and then information and resources that we don't have. We think those are all fine, but we think there are connections that can be made if they just know that the guy down the street provides something really important.

Burgess: Well if the guy down the street is charging a dollar for something and the guy in the next county is charging less than a dollar, then at the end of the day, these companies are trying to make a profit. I don't know how much we can legally incentivize, but it seems to me that may be a natural next step after we make this available. Maybe that is one way we can keep our investments, maybe it will work great just by having it out there but it may work better if somehow we can incentivize.

Mitchell: We went out to a solar at the Raleigh Convention Center and there was a local Charlotte company. In the Raleigh RFP, there was so much language about local preference that everybody on the outside knew they would not be able to compete. I thought that was illegal because that was local dollars and open to everyone, but Raleigh clearly said no, we have a local preference. So Jason, to your point, there is a big push in taking care of home. As much as we can do to pass legal muster, I do think that is something we should have some discussion about because at the end of the day, we need to keep our economy thriving. I don't know how that looks. I don't if that is giving five additional points because that is local; I do think that is something we should look into as long as it passes the legal muster.

Kimble: That could be outgrowth of the initial effort to survey the landscape and get involved and start to develop a potential program. Then see if it has to go to that level in order to create the profitability balancing for a company to do business locally. It may be that there are awareness issues and supply chain issues that we could recruit; businesses or expanding businesses to do the kind of things of things that would link up with existing businesses.

Mitchell: Alright Committee, I thank you.

Kimble: I would think the next piece, putting some ideas forward the next few minutes is for you to think out loud. If there is anything else that needs to go on the list so that you get a total list out there of brain stormed ideas from which you can then cast your vote as to which ones are of the highest priority, the next priority and the third highest priority. We want to make sure that we are getting a list here of all the things that you think are important from an economic development prospective that the City has a role in or can have a role in. I think it's important to keep it. We can't throw everything up there if somebody is in charge of it. Where is it that we can have a role in it?

Mitchell: Let me take the first stab at Small Business. Brad if it is covered in implementation of the Small Business Strategic Plan; one thing we have is the Airport. It's our next economic engine. A lot of times they have a more DBE focus so I don't know if increasing DBE capacity; is that in the Small Business Strategic Plan or can we set that as a goal for FY2012?

Richardson: That is not in the Small Business Plan; we could add it and then come back.

Kimble: Aviation and CATS are under Federal guidelines and that causes them to be in the DBE program and they have specific thresholds, regulations and goals that they are required to meet because of the Federal dollars that they receive. They are a carve out of what we are doing because they are on the coat tails and the strings attached to the Federal government. I don't know how much influence you could have in those areas when they are being dictated to by the Federal government. If we are going to take the money then we have to meet the DBE requirements.

Mitchell: Ron I'm o.k. with that my goal was one take SBE and convert the DBE for the ability to recoup the potential for more DBE's so that we will have them to meet that goal. We just don't have the capacity or a lot of the SBEs don't know how to convert. I don't know if that process is complex or just another form. But to your point, aviation and utilities being our next economic driver, so we are going to have SBE. I think that DBE is one way we can do that, so I think of that as a two-fold, one is converting and one is creating more DBE's.

Kimble: Good approach and good point. Aviation doesn't only use Federal dollars they have locally generated dollars and they are in our SBE Program where the dollars are locally generated. When they are in the Federal dollars, they are in the DBE so they are playing a dual role on how they feed based on where the dollars are from.

Mitchell: We have one on North Tryon with CATS. CATS has Federal dollars attached to that and DBE participation. Next is Small Business, I am trying to get you thinking.

Dulin: Where on Small Business is information on the web portal? I keep thinking back to this gentleman that I met on the phone. I get the feeling that he is not a small business guy, he might run small business, but he runs a lot of them. He is trying to start a small business and the Penguin Restaurant is about as small as you get. If a guy like that called

us and he was just trying to open his first one, this is a guy that we really want to concentrate on when you thing about small business. We have to make sure that whatever we write down w that it is slicked up so that when someone asked us what to do, I can say that is easy go to your computer, go to this site or call this person here is their phone number.

Mitchell: Do we have a small business hotline?

Richardson: We do not, 311 is the only hotline that we have. You approved a web portal contract back in the fall and that is what we are delivering to you in the spring. We were going to share that with you on Monday night in the Manager's Report. We are on schedule to deliver that in a soft launch in April and a big push later.

Mitchell: When people call with questions we have to personally handle it Pro-Tem has to walk it through. If we had a hotline any business questions beside 311, that could be intimidating because that small businessman is all about how to I get my permit, how to I get my restaurant up and going. Would the web portal contain a hotline or something like that?

Mumford: When we say small business we mean anything with 100 employees or less.

Mitchell: O.k., so the portal would address that?

Kimble: I sympathize with what you get hit with sometimes. Nan raise your hand. Nan Peterson works out of Engineering and Property Management and she is our advocate for trouble shooting when those log jams and issues occur. Maybe what we need to make sure is that each of you have, and we don't mind this, that is what Nan's role is. You can pick up the phone and call Nan.

Peterson: Anytime you need something just give me a call and I can do the research for you.

Kimble: She is on the inside and she can find out where all of the holes might be; where some of the road blocks and log jams might be and she knows the people in each of those City departments and the people at the County Building Standards. She is the quickest and the most efficient way to relieve that pressure in the system.

Kinsey: Why after seven years am I just learning her name?

Mitchell: Nan I am serious all of us have experienced that and it's frustrating when someone is trying to do business. Let me go to Business Attraction and Retention. Ron, we have had several meetings along with Mayor Pro-Tem about amateur sports. It seems like there is a lot of energy around it. I will be the first one to tell you that my frustration is for us to be successful we need the County to be at the table. We can't be all this to all people, but is anybody else getting calls about amateur sports?

Dulin: No calls Chair, but that has been on our radar for as long as I have been on Council. The County is the one who does clearly control the fields and so forth. During the Tree Ordinance debate, we were talking about land banking but you will get no developer banking anything now.

Cannon: If we know that amateur sports will add to our tax base to help our restaurants and hotels, things of that nature, then we certainly want to be engaged in. I think it's totally appropriate to be under Business Attraction and Retention because it indeed will do just that. These softball games are major economic boosters to the cities where they go to participate in. We are losing big time to South Carolina where they are just racking it up. Given what we are doing in the City of Charlotte, this is already looking to come here. We see it by way of the Business Investment Grants that you bring to us where there is a

level of interest. We are doing things with regard to tourism like 1549 is still considered to be on the horizon that we are working very hard on. When you continue to do things like that it just fosters more interest in the City of Charlotte especially for amateur sports. When those families come here, not only have they participated in the sports activities, but they are also going over there to the Aviation Museum and to other activities that we have here in the City of Charlotte. Mr. Chair, I think that is something that is appropriate to put on the list and advocate for vigorously.

Kinsey: Are we supposed to be listing things specifically?

Kimble: If you feel that you want to and need to this is the time to say what is on your mind and whether or not it goes on the list. Also which column it would fit under or should it fit under a brand new column called "other" and we define that column. We want to make sure that we are not closing this down and you get your ideas up there if you have ideas about what the City should be doing.

Kinsey: The Chair mentioned the energy capital, should we go back and list those particular areas that we are interested in seeing up there? They have been developed in a strong way here in Charlotte including healthcare.

Kimble: There is healthcare, financial services, energy, logistics, and warehousing there was six all together.

Mitchell: Motorsports?

Kimble: Yes, motorsports.

Kinsey: I am really asking if that is what we should do. If we add one should we add the others that we think are important?

Richardson: If I am hearing you correctly, take that initiative up on the board and add a caveat. The idea of Business Retention and Attraction is helping them grow, so if I am hearing you correctly, take that first initiative about growing a supply chain, growing businesses and spending money locally. In these target sectors, that is sufficient to energy, healthcare, manufacturing and others.

Kinsey: I was just playing off of the amateur sports; that is something that we are interested in. There is also, I thought, interest around these other business sectors because we have listed them before. I don't have any other thought; it was really just a question. If we are going to list one should we list them all?

Mitchell: I think that would help to refresh us, I could not remember.

Kinsey: I couldn't remember either. I had forgotten about amateur sports. I don't know that it was on the last list although there had been a lot of talk.

Mitchell: Mayor Pro Tem and Council Member Kinsey, I still struggle with construction getting the permits I still feel like we are not there yet. I guess in my mind I know, and Ron you all have to help me, I know that the County looks at this as a cost generation for them. So we do consolation with potential loss of revenue on the County side. I guess at the end of the day when we talk about the customer who should be the ultimately responsible. I think it's bigger than software. We know that there is a software discussion, but at the end of the day, Andy can't keep helping the people that are calling him. We are going to drive Nan crazy. It would be nice if you feel comfortable there is one body responsible inside the building or outside the building. Someone told me one time that that was the difference; that we handle the outside and the County handles the inside. But, I will say

this staff, if you think that it is an exercise and that is all it is and exercise, I don't want you to spend a lot of time and energy when at the end of the day it's not going to go anywhere. I am just cautious of putting expectations on staff at the end of the day.

Mumford: I think that could be a potential solution but it depends on what we find when we do the comprehensive audit of all of these policies, procedures, and restrictions. Let's look at that and come up with some solutions and one may be that consolidation approach. If we do that now, I think it would get lost in the emotion of it and we want to factually base, and to Ron's point, look at it from the customer's perspective then come up with enough argument, if you will, or some data so that you all can carry that policy discussion. But right now, I don't think we have prepared you enough.

Mitchell: O.k., fair enough.

Dulin: We went to Austin, Texas for the Chamber's Inter-City visit a couple of years ago. They do things, their city and county, for permitting but they are in the same building. They might even be on the same floor in that building and we have gone opposite. The County has purchased Freedom Mall out on Freedom Drive at I-85 and moved their folks out there. They have moved their people farther away from ours.

Kimble: They have not moved their permitting and inspection staff, they are still at the Hal Marshall site. They have desires to move them out there but they have run out of money in order to renovate Freedom Mall and move those people out there.

Dulin: My suggestion, and I have said it before, is to move our Planning folks to where their Planning folks are. If they can't come to us, we can come to them. Our Planning folks do not want to leave the mother ship here and I can see that, but if I were running this place, I would put everybody together. If you want functional consolidation, let's get efficient and get our people with them. That is why Austin works so well Jason is because when somebody comes in with a project, they get one person that hubs everything for that one project. That one person is responsible for working that project through, it's a team player with a development group instead of a resource officer.

Kimble: So to expand upon your point and Pat's response, there is co-location as one solution and functional consolidation is the next evolutionary step up from that. Where we are now is in two separate locations trying to handle the permitting process. We do have some of our folks in Hal Marshall; Fire Department, re-use plans with Building Standards and the Zoning Administrator is there. So we have sent some of our people to their operations to make it smoother for the customer to access and have review of those things at that location. But the majority of the "outside of the building" functions are still reviewed through resources in the Government Center. There are several different evolutionary possibilities here; the bottom line is that we need continuous improvement in how we deliver the service to the end user the customer.

Mitchell: Alright Committee, I gave you my three best ideas for 2011. Are there any other suggestions or comments?

Kimble: I would contend that if this is where you are and you are finished; you are not going to have to vote because it looks like all of this is contained and does in fact become your FY2011/FY2012 ED Focus Area Plan.

Dulin: We did not do any of the work you all did all the work. We do need to see it in written form before we move it to our Retreat. My next question is regarding the Business

Corridor Revitalization. Do we need to continue to put $2,000,000 in that fund year after year? There is $17,000,000 and you can burn through $17,000,000 pretty quick; but down further you have Eastland Mall at $17,000,000. That is the entire kitty from the first line down, isn't it?

Mumford: No, those are separate.

Dulin: Those are separate pots of $17,000,000?

Mumford: Yes, the $17,000,000 is general fund in cash.

Dulin: Of course, the Committee here would love to add $2,000,000 to the Corridor Revitalization but that is $2,000,000 that if we put it into the bank here and let it sit; that's $2,000,000 that we can't do something else with. At some point, when are we going to let that get to where it needs to be and spend the money elsewhere?

Mitchell: Andy I think that is more of a budget discussion that you and Barnes can hack that out and give us a recommendation or Council recommendation.

Dulin: That will be like that boxing game, knock your block off.

Cannon: One of the things under the Business Corridor; some of our Business Corridors continue today to struggle with image. The way that they look they cannot attract interest the way that they should because of the image. In as much can we focus on having a core focus area that drills down on how we can help with the image? It could be through the Façade Program that we have where you encourage area businesses to take advantage of that so that now they are in uniform with one another. So when you go to that particular corridor you know that this is whatever it is. That was something that worked pretty well with us on the Westside Strategy Plan. When we focused on West Boulevard it just brought different synergy and interest to those corridors. People saw that as a big change even though it was a small thing to do, it made a big difference.

Mitchell: Stan and I have had a big discussion what I had struggled with even as a District Representative was not so much what was best for that corridor, but how can we make a City-wide branding exercise for all the corridors. Mayor Pro Tem, I think you are right, it's about image. Freedom Drive, North Tryon, Graham Street, Beatties Ford Road, almost a City-wide building it has its own uniqueness. We can't say this is going to work for West Trade and this is going to work for Central Avenue, but I think the process is; how do you build the image of a corridor like I hear ProTem talking about that is needed?

Mumford: That is a great idea and one of many as you work through the re-design of that corridor strategy. So if we have the corridor strategy up the way it is, we will include that idea with the work that this Committee does with our help in revising of that.

Cannon: The level of interest we have, let's say I-77 to Beatties Ford Road up to Brookshire, it ends at Brookshire or it ends at Oaklawn. Then we don't do anything from Oaklawn at Beatties Ford Road going all way to Sunset. The difference is night and day and it would be a night and day focus. We will see one part of that corridor deteriorate tremendously if we don't get our arms around it rather than to have them to enjoy from I-77 all the way to Sunset. The opportunities are there that's why I am raising the issue in terms of helping to deal with that image.

Mitchell: Central Avenue you take on image building for that area.

Kinsey: I think Central Avenue is coming along. Not only at ULI yesterday I sat with some developers, but also at the Echo Hills neighborhood meeting last night. Image along

Monroe Road, the idea came out why not continue East 7th Street name all the way out to Sharon Amity? It would make a whole different image. Monroe Road has a bad connotation, I don't happen to think that. The people that live in Echo Hills and some of the developers that want to do something along there feel that way. I don't know legally if there is anything that we can do. I found it interesting that it came out of both places the same day.

Kimble: I don't think legally that you could do that. I think that you would want to understand the ramifications to individuals and businesses in changing their addresses.

Kinsey: Yes, businesses mainly not many homes along in that area but if it could be done, it seems like something fairly small on the surface. I am not necessarily recommending it; I am just throwing that out.

Dulin: I really don't know if we need to be getting into that today.

Kinsey: I know it was just related to image.

Mitchell: I think you hear from all of us that the image building is clearly one part that we would relate to the business corridors.

Mumford: We will capture that in the redesign of the Strategy as a separate line item for this focus area, great point.

Kimble: When we come back with the next write up we will be able to weave everything that you have talked about today and we might even make some alterations to what we put down the first time, especially in the permitting area where I am hearing continues improvement.

Mitchell: O.k., do us a favor because you know what is going to happen, show our suggestions in blue so will clearly know that it was incorporated. Just so it will stand out in the revised copy with the image building on the five corridors.

Kimble: I don't think anyone here with suggestions will be lost and we are going to highlight them on your suggestion. Here is the follow up question, if you need another meeting, I don't think your Chair will be able to make next week.

Mitchell: No not the 20th and I think that Patrick and Nancy are gone on the 20th and I am out also.

Kimble: The 20th of January which you had targeted last time and tentatively had said why don't we think about that date because it won't work. I think we probably want to be back in front of you with the write-up. We can send it out to you ahead of time but we probably need a meeting for you to say this looks good or that we need to tweak it a little more and do that in a face-to-face setting. Your latest gate upon which we can make these tweaks would be Monday, January 24th at the latest. Next week is problematic for maybe getting this done.

Dulin: Environment is at 3:30pm on the 24th.

Mitchell: My man can we do lunch on the 24th?

Kimble: We will check and make sure that there are no other Committee meetings at that time.

Burgess: Monday is the worst day; can we do it just before the Environmental Committee meeting?

Kimble: We could have lunch at 3:00pm.

Dulin: I don't need to eat.

Kimble: If you do 3:00pm, it would probably work and come back for 45 minutes we would be in good shape.

Kinsey: Yes, that is o.k.

Cannon: What are we talking about on the 24th?
Mitchell: Just to revisit all the changes. Jason?
Burgess: I will make it work.
Kimble: We will get this out to you by Thursday or Friday of next week so that you will have your thoughts ready when you come.
Mitchell: Any other comments for staff? Committee and staff thank you.

Adjourned: 5:00pm

Economic Development Council Committee
Thursday, January 13, 2011 at 3:30pm
Charlotte-Mecklenburg Government Center
Room CH-14

Committee Members: James Mitchell, Chair
Patrick Cannon, Vice Chair
Jason Burgess
Andy Dulin
Patsy Kinsey

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. FY2011/FY2012 ED FOCUS AREA PLAN - 60 minutes

Staff: Ron Kimble, Deputy City Manager

Action: Discuss the draft FY2011/FY2012 ED Focus Area Plan and identify strategic initiatives for Council consideration that fall within the following four broad policy objectives set by Council: Small Business Development; Business Corridor Revitalization; Business-Friendly Government and Business Retention & Attraction.

II. DISCUSS NEXT MEETING: Thursday, January 20, 2011 at 3:30pm, Room 280

Distribution: Mayor/City Council Curt Walton, City Manager Leadership Team Executive Team

FY2012 Strategic Focus Area Plan - **DRAFT**

"Charlotte will be the most prosperous and livable city for all citizens through quality economic development."

The City of Charlotte's long-term economic health is in large part driven by the City's ability to facilitate private sector job growth and investment through partnerships with agencies such as the Charlotte Chamber, Charlotte Regional Visitors Authority and the Charlotte Regional Partnership. Historically, these partnerships have resulted in a diversified local and regional economy, which requires public investment in public services and facilities and infrastructure. A healthy economy also requires a commitment to strengthen and grow existing businesses, small business enterprise, entrepreneurship, business corridors and adjacent neighborhoods. In order to foster effective economic development, we must coordinate the commitment from both the public and private sectors.

The City's economic development strategy focuses on supporting small business development, increasing redevelopment activities in distressed business corridors to support adjacent neighborhoods, and creating a more business-friendly government that supports our community's efforts to attract and retain businesses and jobs. (*Also see Environment, Housing & Neighborhood Development and Transportation & Planning Focus Area Plans for more economic development initiatives.*)

~~Several significant structural changes have occurred in the economic environment that will impact the City's economic development. These include:~~

- ~~The recession, high unemployment and de-leveraging of the economy has slowed consumer spending and significantly slowed commercial and residential development.~~
- ~~The sale of Charlotte's largest employer, Wachovia, to Wells Fargo with the resultant loss of high-paying jobs~~
- ~~The shrinkage and dramatic realignment of the financial services sector~~
- ~~Fluctuating fuel prices and the economic recession have impacted the airline industry, raising uncertainty about US Airways and its 6,000 Charlotte employees~~

~~There are opportunities for continued economic growth in Charlotte through the continued attraction and growth of energy and energy engineering firms, such as Duke, Shaw, Toshiba, Areva and Siemens. Continued investment at both the Charlotte Research Institute (UNCC) and the NC Research Campus (Kannapolis) will lead to growth in both technology and bio-tech companies in Charlotte. A well educated workforce and available Center City office space also provides opportunities for economic growth, as does the opening of the Airport's third parallel runway. The opening of several new cultural facilities at the Wells Fargo Cultural campus in 2009 and the NASCAR Hall of Fame in 2010 will also help grow Charlotte's hospitality and tourism sector. Emphasis on strategic amateur sports marketing and facilities analysis will help expand the hospitality and tourism industry, too. Additionally, the completion of the Southwest Water Transmission Main will provide~~

~~increased water supply to southwest businesses and residents and allow for increased development of the west side from Wilkinson Boulevard to the South Carolina state line. All of these factors, along with Charlotte's regional economic indicators, position Charlotte to be one of the first regions out of the recession.~~

~~Charlotte's continued success will be influenced by our diverse economic base and efforts with our partners to develop growing business sectors, including: renewable energy, green industry, healthcare and high growth/high tech. This economic growth will continue to be assisted by the American Recovery and Reinvestment Act including: Recovery Act Bonds; Energy Block Grant; and Neighborhood Stabilization. We will also need to focus on improving support for small businesses and high growth entrepreneurs. Our success will rely heavily upon the collaboration brought about through the newly organized Neighborhood & Business Services Key Business. Since private capital will be harder to find, the City will need to become more aggressive in pushing forward to ensure the economic health of the corridor businesses and the adjacent neighborhoods. This is also a time to lay a foundation for the next wave of growth by implementing business-friendly process improvements and completing and implementing plans for major employment centers in the Center City and the University Research Park.~~

Economic Development

Promote Economic Opportunity

ED.1	Focus Area Initiative:	Align the City's work to better serve the small business customer, including those that are able to do business with the City.
	FY12 Measure:	Implement the Small Business Strategic Plan
	Targets:	FY12 – 100% of initiatives underway; 50% complete FY13 – 100% of initiatives complete with updated plan approved
	FY12 Measure:	Review the Small Business Opportunities Task Force recommendation related to SBE Informal Goal Setting, including an evaluation of combining formal and informal opportunities.
	Targets:	FY12 – Establish and meet a combined goal

Expand Tax Base & Revenues

ED.2	Focus Area Initiative:	Advance Business Corridor Revitalization and Redevelopment
	FY12 Measure:	Revise and implement the City's Business Corridor Strategy, including an examination of the five priority corridors.
	Targets:	FY12 – Adopt a new Business Corridor Strategy and implement 50% of recommendations FY13 – Implement 100% of recommendations

* Cross reference H&ND Focus Area Initiative 2 regarding leveraging business corridor funds at 1:5 public/private ratio.

Develop Collaborative Solutions

ED.3	Focus Area Initiative:	Create a more business-friendly government by delivering information, resources and services more simply and efficiently.
	FY12 Measure:	Better understand the collective impact of City, County and State regulatory requirements to open or expand a business and determine which processes can be streamlined.
	Targets:	FY12 – Develop an inventory of the business regulatory

		environment, prioritize the most critical path for process improvement, and develop a plan for implementation. FY13 – Implement recommendations of the plan.
ED.4	Focus Area Initiative:	Work with regional economic development partners, in an expanded BusinessFirst initiative, to increase local sales of existing businesses in the Charlotte region. Potential partners include the Charlotte Chamber, Charlotte Center City Partners, University City Partners and the Charlotte Regional Partnership (including economic development agencies from adjacent counties).
	FY12 Measure:	Better understand the supply chain for large and mid-size businesses, and design a strategy to introducing local suppliers into these supply chains to create more regional sales and job growth.
	Targets:	FY12 – Design and begin implementation of the initiative, including an inventory of local products and services. Establish baseline for dollar value of contracts brought into the region from outside. FY13 – Evaluate the initiative and set a % increase in dollar value.