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INFORMATION:

CATS North Davidson Bus Facility Ribbon Cutting

Staff Resource: John Muth, CATS, 704-336-3373, jmuth@charlottenc.gov

The Charlotte Area Transit System (CATS) will officially reopen the North Davidson Bus Facility in a ribbon cutting ceremony on Thursday, July 28 at 10:00 a.m. in the Maintenance Building located at 901 North Davidson Street. The facility underwent renovations and expansion as the recipient of \$20.7 million in American Recovery and Reinvestment Act (ARRA) stimulus funds through the Transit Capital Assistance Urbanized Program. Please see the **attached** invitation (**see below, attached as part of this document**).

The renovations allow operational and maintenance improvements for up to 200 transit buses. Updated facility conditions include mechanical, electrical and plumbing systems as well as bus maintenance equipment. CATS Special Transportation Service, which operates 83 vehicles, will move its administration and operations to the North Davidson campus to provide more consolidated operations. A new, multi-level parking garage will provide ample space for employees working out of this facility.

The exterior changes to the building allow it to better blend into the fabric of the community. The facility was originally constructed in 1981 and includes a two-story administration/operations building, a three-level maintenance building, and a fuel and wash facility.

Airport Taxi Operations

Staff Resource: Jerry Orr, Aviation, 704-359-4000, tjorr@charlotteairport.com

On Monday, July 18, 2011, the Airport implemented its new taxi operating agreements with Taxi USA, Crown Cab and City Cab. The Airport brought in extra staff in preparation for the switchover of agreements and execution of new operating procedures. The first bank of customers (7:30 AM) was handled without issue. As anticipated, the second bank (9:00 AM), and heaviest of the day, required the activation of the peak time contingency plan which deploys 56 additional cabs. This activation process was not triggered soon enough, which resulted in an approximate 10 minute time period without taxi cabs. As we move forward in this new operating environment, staff will continue making adjustments to insure the maximum level of customer service.

NLC/Siemens Sustainability Infrastructure Tour Update

Staff Resource: Kim Oliver, City Manager's Office, 704-336-2180, koliver@charlottenc.gov

The National League of Cities (NLC), in cooperation with its corporate partner, Siemens USA, have approached the City of Charlotte to host and participate in a sustainability infrastructure tour. Charlotte is one of four cities that has been selected to participate and foster a dialogue between public and private stakeholders on a subject of particular importance to the region.

The City of Charlotte will be showcasing regional water resources planning in an effort to expose the need for and facilitate continued discussion on this important topic with local, state, and national stakeholders.

NLC and Siemens USA will kick off the tour on Wednesday, September 14 with an invitation-only dinner meeting to which NLC/Siemens will invite regional mayors, members of the Charlotte City Council and Mecklenburg County Commission, and CEOs of the local water and power industry. On the following day, September 15, there will be a comprehensive educational program (of which the working agenda has been **attached below, as part of this document** for your review) bringing together local stakeholders for spirited discussions on regional water resources planning in the Carolinas. The discussions will include speakers and various breakout sessions on, but not limited to:

- Regional collaboration and its impact on infrastructure development
- Water policy and regulation
- Impacts of climate change on water supply
- Impacts of water cost and pricing on infrastructure and supply
- Potential and existing competing uses (recreational and industrial uses, wildlife, etc.)
- Lessons learned and next steps session

NLC will be creating the summary documents and publications illustrating the sustainability infrastructure tour for each participating city to capture the collective learning from the 4-city tour. The other cities hosting the NLC/Siemens sustainability infrastructure tour include Chicago, Los Angeles, and Houston. NLC/Siemens will be underwriting all of the costs associated with staging this event. NLC/Siemens plans to forward invitations to regional officials and stakeholders in August and City staff plans to forward invitations to key political officials from North Carolina and South Carolina who are instrumental in the regional water discussion. Additional updates to the NLC/Siemens Sustainability Infrastructure Tour will be available in future Council-Manager Memos as plans are finalized.

Real Estate Transfer System (“Ledger System”) FY2011 Annual Report

Staff Resource: Jonathan Wells, Planning, 704-336-4090, jwells@ci.charlotte.nc.us

Attached (see below, attached as part of this document) please find the Annual Report for FY2011 (July 1, 2010 through June 30, 2011) for the City/County Real Estate Transfer System (“Ledger System”). As the report indicates, there were a total of two transaction entries recorded on the Ledger during the reporting period, and the current Ledger balance is **\$3,009,041** with credit to the City.

The first transaction involved a transfer of real property from the City to the County to enable construction of the First Ward parking deck and park. In addition, an entry has been made to reflect the July, 2010 City/County agreement whereby the City would provide assistance to the Public Libraries in an amount up to \$1.4 million during FY2011, and that, as the amount was

drawn, it would be represented on the Ledger. The draws on this amount that occurred effective June 30, 2011 have been tracked and are also shown on the FY2011 Annual Report.

Center City 2020 Vision Plan

Staff Resource: Dan Thilo, Planning Department, 704-336-8321, dthilo@ci.charlotte.nc.us

The Center City 2020 Vision Plan is scheduled for public comment at the July 25 City Council meeting. In addition to the link that is included in the RCA for this item, staff is also providing hard copies of the plan. Former Mayor Harvey Gantt, who co-chaired this initiative, along with a representative from the consultant team of MIG, will provide an overview of the plan prior to Council receiving public comment. **The draft Center City 2020 Vision Plan can be found at: www.CenterCity2020.com**

ATTACHMENTS (see below, attached as part of this document):

May 26 Economic Development Committee meeting summary



North Davidson Street Bus Facility Ribbon Cutting

Hosted by Charlotte Area Transit System

July 28, 2011 • 10:00 a.m.

**Maintenance Building
901 North Davidson Street
Charlotte, NC**

This renovation was made possible by the American Recovery and Reinvestment Act of 2009 and is North Carolina's largest stimulus project.

Refreshments will be served.



**CHARLOTTE, NORTH CAROLINA
SEPTEMBER 14-15, 2011**

WORKING AGENDA

Wednesday, September 14, 2011	
6:00-8:30	Executives & VIPs Dinner/Roundtable (under 20 guests): Discussion with city and regional leaders – public, private and nonprofit sectors (invite-only event)
Thursday, September 15, 2011	
7:00-8:00	Breakfast
8:00-8:15	Welcome and Opening Remarks <ul style="list-style-type: none"> • <i>City of Charlotte</i> • <i>Centralina</i> • <i>NLC</i> • <i>Siemens</i>
8:15-8:45	Morning Keynote Address <ul style="list-style-type: none"> • <i>EPA representative, panel of state representatives, or Keynote by Jim Rogers?</i>
8:45-9:00	State of the City Infrastructure Survey <ul style="list-style-type: none"> • <i>Kathleen Novak (moderator/facilitator for the Building Cities, Building Futures tour will briefly discuss findings and comments from a pre-event survey that will be conducted as part of the registration process), School of Public Affairs, University of Colorado, Denver and former Mayor, Northglenn, Colorado</i>
9:00-10:00	Regional Collaboration and Its Impact on Infrastructure Development This panel will explore how regional collaboration is key to creating sustainable water infrastructure systems. <ul style="list-style-type: none"> • <i>Panel or Keynote address</i>
10:00-10:15	Break
10:15-12:15	Three Concurrent Breakout Sessions (followed by round table discussions) <p>Water Policy and Regulation – Impacts on the Catawba This session will look at the state regulation of water supply and understanding IBT - <i>1 moderator, 2 speakers</i></p> <p>Creating More Water This session will look at water conservation, new sources, reuse, and construction of water infrastructure systems - <i>1 moderator, 2 speakers</i></p> <p>Impacts of Climate Change on Water Supply This session will look how climate change (drought and wet weather) will impact water supply - <i>1 moderator, 2 speakers</i></p>
12:30-1:45	Lunch Panel <ul style="list-style-type: none"> - <i>Someone to discuss the proposed regional water plan</i>
2:00-4:00	Building Collaborative Regions: Lessons Learned and Next Steps Following on the morning session on regional collaboration or regionalization, this

	<p>session will give participants the opportunity to discuss the lessons learned from the morning sessions and how to apply them as they work together as a region to move forward.</p> <p>(See next page for details on format of the session)</p>												
	<table border="1"> <tr> <td>2:00-2:15</td> <td>Introduction</td> </tr> <tr> <td>2:15-2:45</td> <td>Discussion Round 1</td> </tr> <tr> <td>2:45-3:15</td> <td>Discussion Round 2</td> </tr> <tr> <td>3:15-3:25</td> <td>Break</td> </tr> <tr> <td>3:25-3:55</td> <td>Report out and Keypad Polling</td> </tr> <tr> <td>3:55</td> <td>Closing</td> </tr> </table>	2:00-2:15	Introduction	2:15-2:45	Discussion Round 1	2:45-3:15	Discussion Round 2	3:15-3:25	Break	3:25-3:55	Report out and Keypad Polling	3:55	Closing
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3:15-3:25	Break												
3:25-3:55	Report out and Keypad Polling												
3:55	Closing												
4:00-5:00	Reception												

Building Collaborative Regions: Lessons Learned and Next Steps (Imperial East)

Following on the morning session on regional collaboration or regionalization, this session will give participants the opportunity to discuss the lessons learned from the morning sessions and how to apply them as they work together as a region to move forward.

During this portion of the event, participants will be able to discuss the morning sessions/topics. Participants will visit each of the sub-topic tables. The sub-topic tables will have printed out questions. Each sub-topic table will be managed by either a speaker/moderator from an earlier breakout session or another designee. Their task will be to present questions to the group and to collect broad ideas and thoughts to be collected by staff at the end of the event.

Regional Collaboration

- Who are some of the key players that need to be engaged in reaching consensus on water infrastructure decisions?
- How does “give and take” (deferred projects) play into project prioritization? Is there a general agreement that some projects might have a more comprehensive regional effect than others?
- What are some challenges to effectively working together as a region?

Community Engagement and Buy-In

- What are some of the most effective ways to engage your constituents?
- How do you educate your constituents on how local governments reach consensus on water infrastructure decisions?
- How do ensure that community opinions are incorporated into the decision making process?
- How do you get community buy-in and support for projects? How do you communicate the benefits of a project?



CHARLOTTE MEMORANDUM

Memo to: Mayor, Members of the City Council and County Commission
From: Jonathan Wells, Capital Facilities Program Manager/Planning Department
Subject: FY 2011 Annual Report for the “Real Estate Transfer System”
Date: July 1, 2011

On October 2, 2001, the City of Charlotte and Mecklenburg County entered into an agreement creating the “Real Estate Transfer System” or “Real Estate Ledger” wherein certain real estate transactions between the two entities could be completed without the need for monetary reimbursement or compensation. Following execution of the agreement, a Ledger was established and operating procedures were developed, which include a requirement that the Planning Department manage the Ledger and furnish each of the parties’ governing boards with an Annual Report highlighting the transactions completed under the system, and specifying the balance of the Ledger, as of the previous June 30th.

Please find attached the report for FY 2011, representing the period from July 1, 2010 through June 30, 2011. As you can see, there were two Ledger transactions during the reporting period, one involving property transferred from City to County ownership, and the other in accordance with the 2010 City/County agreement providing City funding to the Libraries on condition that the contributions be entered into the Ledger.

**CITY OF CHARLOTTE/MECKLENBURG COUNTY
REAL ESTATE TRANSFER (LEDGER) SYSTEM**

Annual Status Report

For the period from July 1, 2010 through June 30, 2011

Number of transactions during reporting period:	2
Ledger Balance as of June 30, 2010:	\$1,125,280 (credit to City)
Ledger Balance as of June 30, 2011:	\$3,009,041 (credit to City)

Transaction details during reporting period:

11-01 Transfer of two parcels from City to County (established value: \$717,094) for the purpose of the construction of the First Ward park and parking deck

11-02 Transfer of funding from City to County (amount \$1,166,667) to provide assistance to Libraries in accordance with City/County agreement

Please refer to the attached spreadsheet which chronicles the Ledger transactions during the reporting period (and since its inception).

Note: Real estate transactions between the City and the County which may be described as "minor", such as those involving rights-of-ways, easements, etc. are not included in this report.

INTER-GOVERNMENTAL REAL ESTATE TRANSFER LEDGER

Last modified: July 7, 2011

Trans- action #	Grantee (receiving) agency	Grantee approval date	Grantor (donor) agency	Grantor approval date	Parcel I.d. #'s	Parcel description	Planning Committee MR date	Closing date	Property value	Value determination	Intended use of property	Ledger balance city*	Ledger balance county*	Advantage to: C=City M=County
02-01	County	10/2/2001	City	9/26/2001	131-071-03 131-071-05	Evergreen Cemetery & Winterfield Place	6/15/1999	4/24/2002	\$2,300,000	Staff review of appraisal	Park land	\$2,300,000	-\$2,300,000	C
05-01	City	3/28/2005	County	3/1/2005	027-072-17	12537 Dearmon Road	n.a.: road widening	6/15/2005	\$446,175	Appraisal	Street R.O.W.	\$1,853,825	-\$1,853,825	C
06-01	City	9/27/2004	County	12/2/2003	157-041-35	Ellington Street	10/16/2003	6/1/2006	\$40,000	Staff value finding	Affordable housing	\$1,813,825	-\$1,813,825	C
06-02	City	3/27/2006	County	6/21/2005	039-062-01(pt) (easement)	Beatties Ford Road & Rosa Parks Place	11/15/2005	2/7/2006	\$74,625	Staff appraisal	Community Transit Center	\$1,739,200	-\$1,739,200	C
06-03	City	5/14/2001	County	11/20/2001	080-096-01 080-081-02	Vacant land (former 1st Ward Park)	2/20/2001	2/3/2004	\$3,758,592	Appraisal	Private redevelopmt.	-\$2,019,392	\$2,019,392	M
06-04	County	11/20/2001	City	5/14/2001	080-063-01 080-063-02 080-063-04 080-063-05 080-063-06 080-063-08	Vacant land (future 1st Ward Park)	2/20/2001	2/3/2004	\$3,144,672	Appraisal	Future First Ward Park	\$1,125,280	-\$1,125,280	C
11-01	County	8/4/2009	City	7/27/2009	080-063-11 080-063-12	First Ward: park and parking deck	11/18/2008	8/30/2010	\$717,094	Appraisal	Park; parking deck	\$1,842,374	-\$1,842,374	C
11-02	County	6/30/2011	City	6/30/2011	n.a.	Library contingency	n.a.	n.a.	\$1,166,667	Council resolution	n.a.	\$3,009,041	-\$3,009,041	C

COMMITTEE AGENDA TOPICS

- I. Subject: Business Investment Grant Program Review**
Action: Discuss current Program guidelines and potential updates to the policy in preparation for a joint City/County ED Committee meeting in July or August to discuss policy changes.
- II. Subject: Entrepreneurship Strategy**
Action: Begin discussion of a policy framework for the City's role in supporting high-growth entrepreneurs. Paul Wetenhall will provide an overview of current community initiatives and factors to consider as the Committee considers the City's appropriate role.

COMMITTEE INFORMATION

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

ATTACHMENTS

1. Charlotte-Mecklenburg Business Investment Program Presentation
2. Entrepreneurship & Innovation Ecosystem
3. CRVA Barometer May Report

DISCUSSION HIGHLIGHTS

Chairman Mitchell:

Thank you all for joining us for the E.D. Committee meeting. Ron and Committee, there are folks here to learn about the Entrepreneurship Strategy which is item number two on the agenda. Could we hear that presentation first so that these folks don't have to wait? Committee, Ron is that o.k. with you?

Kimble: It will be your call Mr. Chairman. It sounds like you have more persons in the room that might be here for number two than item number one.

Mitchell: I agree Committee members. Can we go with number two first?

Burgess: Number two.

Mitchell: O.k., the good doctor said number two. Ron, can you lead us in?

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Subject: Entrepreneurship Strategy

Kimble: Recently City Council received a presentation regarding Queen City Forward and their desire to have a strategic plan done. The Council had a conversation about the larger entrepreneurship strategy development for our community and referred this item to the Committee. We figured this will take several meetings to work through and wanted to do an introductory session today. Brad Richardson, Pat Mumford and I have had Paul Wetenhall from the Ben Craig Center come to give you a briefing and some information. He has had that briefing with us and we found it very stimulating, informative and educational and so we thought the Committee would benefit from a very similar presentation from Mr. Wetenhall. Brad is there anything you need to say before we turn it over to Paul?

Richardson: No, I don't think so. Paul is going to do what he did with us a few weeks ago, lay out the framework in the community. What we may do is envision coming back to you at a July meeting with some more thoughts around the entrepreneur policy framework or strategy.

Wetenhall: There is a little outline in your packet that is labeled Entrepreneurship & Innovation Ecosystem. When Pat and Brad asked me to come I just put down on a sheet of paper hopefully the same things I said in a meeting with them. I am not an advocate for anything but to share a framework that is helpful to the Committee. I am happy to be stopped for questions at anytime. By way of introduction, I have been in Charlotte now for three years. I joined the Ben Craig Center three years ago. Previously ran an organization called High Tech Rochester which worked in economic development in Rochester, New York. Before that I started two software companies. I last lived in Charlotte in 1974 as an intern in graduate school. I wanted to start with the big picture of entrepreneurship in terms of policy kinds of things. I noticed a comment from Daniel Isenberg of Babson College writing in *Harvard Business Review*. He wrote about the entrepreneurship ecosystem combining a set of individual elements in complex ways. The strategy must address the system for big impact. You will never have enough; there are no right answers. You must experiment and adapt, so the entrepreneurship world is a very dynamic world and there is no single or simple answer. There is also some research that has recently emerged and I referenced one study by Glaser and Kerr who links regional economic growth at a future point to high rates of business formation a decade earlier. This is relatively a new field of research made possible by longitudinal database that is now available. It is an interesting thing that the most important thing that they predicted regional economic growth was not big company attraction or other factors. It was how many new business starts did you have a decade earlier. I want to make the observation that two words, innovation and entrepreneurship, are really important to keep in mind as we talk about entrepreneurship. The kind of entrepreneurship that creates the companies that generate wealth and jobs is almost always based on innovation. Sometimes it's technology and sometimes it's business process or business model, but innovation is the twin pillar with entrepreneurship. At the end of the day, all of us are interested in creating good jobs and wealth creation. I wanted to offer a way to organize our way of thinking entrepreneurship and I think this is useful as the Council is faced with different proposals and requests from organizations. There are really four types of entrepreneurship that you

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could characterize. The first is solo entrepreneurship or free lancer. That is the increasing part of the American economy for a whole host of reasons and one that doesn't get much attention. The second type is small business that we talk about most in general settings. Generally, small businesses are characterized by people who are serving a local market. That is what we have the most of in the entrepreneurial sector. There are entrepreneurial growth companies these are typically based on an innovation. We think of the really big ones such as Apple or Google but there are many others that are not technology based. PayChecks, the payroll company that some of you may use in your business, was a classic entrepreneurial growth company. EGC's are characterized by very rapid employment growth, and when you look at economic statistics, the high growth companies that are sometimes called gazelles account for about 4% of all of the business starts in a given year. Yet they account for 50% to 60% of the net job growth.

Dulin: Go back to EGC. Is that economic or economical?

Wetenhall: Entrepreneurial.

Dulin: Entrepreneurial Growth Company?

Wetenhall: Sometimes referenced that as a high growth company but the literature tends to reference it as Entrepreneurial Growth Company as the term. In any given year, about 4% of all companies that start and nationally there are 700,000 companies that start each year that have employment; 4% of those companies, 28,000 turn into these Entrepreneurial Growth Companies. You don't know that the day that they are formed. In other words, you and I start a company; mine's may be three people five years later while yours may be 100 people. We don't know that on the day we start. Later 4% turn out to have had 25% per year employment growth for an extended period; it's that small number of companies that drive over half of the net job growth that comes from all small company starts. It's a whole interesting body of research around this dynamic job growth related to business starts. The key point to remember is that it's not the average small business that drives job growth; it's the high growth small business that drives job growth. What we all wish we knew in advance is who those high growth companies will be but you don't know until after the fact. There are predictors and we can talk some more about that.

Cannon: What have been those types of companies that were called gazelles?

Wetenhall: You see it most often in technology sectors. Examples would be in recent times, Facebook and Google are the really big ones that we know about, but there are also other companies. I mentioned PayChecks the payroll processing company would be another example. They went from a few employees to hundreds within a couple of years and they now have thousands. Here in Charlotte, we have Digital Optics which was a company founded out near UNC Charlotte technology a couple years ago. They grew rapidly to 150 employees. It was acquired by Tesra and continues to operate in the Research Park. So they come in various industries; they are not all in technology, the technology ones tend to be the most visible. One of the good measures of growth companies is the Inc. 500 list put out by Inc. Magazine. The 500 fastest growing private companies are published each year. One of the things that we track is the Inc. 500 companies from the Charlotte metro region. We are not as strongly represented there as I think we could be.

Cannon: Thank you.

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Wetenhall: The fourth kind of entrepreneurial company is relatively new. It goes under one of two headings; social enterprise or social entrepreneurial. People use those terms often interchangeably. The concept here is really a company that practices a triple bottom line. Entrepreneurs are all out to make money and general will. Social entrepreneurial are also out to make money. In addition to profit, they are also interested in people and planets. Typically known as people, profits and planets and so they are interested in sustainability and the way that people who are affected by the company are treated. That is an emerging area that really has been around for ten or 12 years. It is something that people look at; it had its origins in a Silicon Valley entrepreneur. She said, "We have changed the world by launching all this Microsoft or Intel, why don't we apply these same practices to social issues in the community". Of special note, social entrepreneurial is extremely exciting to young people in Rochester. I taught a course to young students. There was a strong interest in people out of medical school, liberal arts and engineering school in social entrepreneurship as a way to express their personal values. Those are the four things; they all have common needs but they are distinct. It's not always effective to bring a group of small business people with a group of entrepreneurial growth people; they have very different outlooks and motivations.

Mitchell: The proposal we had during the Dinner Briefing used the term social entrepreneurship.

Wetenhall: Yes, that was from Queen City Forward and I am one of the folks on the planning board for Queen City Forward.

Mitchell: During that presentation, we did not know what social entrepreneurship was; now we do.

Wetenhall: The next thing I want to talk about is the venture stage; companies go through a life cycle at the pre-formation stage. They have lots of issues right on up through start-up, growth and established. So as we think about working with companies, we always think about those four stages because there are distinct needs at each stage. The individual role is the last thing to categorize things and this is a subtle point that is really important. That is an entrepreneurial ecosystem, which is made up of all the people that I have listed here. You need the inventor & innovators; those are folks that generate the ideas. They are often different from the entrepreneur. You usually need to pair up sensibility with that kind of creative innovation. Explorers, people who are kicking the tires wondering if entrepreneurship is for them. It might be a big company that has been downsized; they have certain needs. CPEC does a great job with education explorers about the realities of entrepreneurs and what it demands of them. The important player in entrepreneurship is the founder and CEO; that is the person that makes the entrepreneurial engine happen. You need an executive team and employees and then policy advisors and investors. In Charlotte, we may have great entrepreneurs, but if we don't have good entrepreneurial marketers and good entrepreneurial financiers, you don't have the complete picture. So as you think about making it happen here in Charlotte we have to think about each of those key persons and where we have strengths and gaps. Just a few specific Charlotte observations coming from a place like Rochester, we used to look at Charlotte as an exemplar community, a place that Rochester wanted to be more like. Everybody that I have met since I have been here has been very positive about the environment; the airport and those kinds of things. We have strong small business formation when you look at the statistics. Small business formed per 100,000 people. We are in the upper ranges

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- of the country that reflects the growth in our economy and people opening up medical offices, restaurants and services to meet the needs. We are not as strong on high growth entrepreneurship when you look at other communities that are fast growing. We don't have the same representation in the Inc. 500 and other measures of high entrepreneurship that you find in places like the Research Triangle Park.
- Cannon: Have you been able to identify a means or ways that the City would be inclined to bring about those possibilities?
- Wetenhall: Yes, the issue for high growth entrepreneurship comes down to the quality of the ideas and the quality of the people. When you look at the quality of ideas, you have high growth entrepreneurship most frequently in places that have research universities. Look at Boston, Austin, Silicon Valley, what you have there is you have fuel coming in every year with federally funded academic research and development. That is associated with PhD's and master level folks that create the new concepts that tend to be the basis for high growth entrepreneurs. It's not the only source, but there is a strong correlation between that. To give you a sense of how strong that is, Charlotte Metro has about \$35,000,000 a year of academic R&D funded by the Federal government. That compares to the Research Triangle of \$1.6 billion, which is 2% of RTP. We might say that is not unreasonable because they have the Duke Medical Center and the UNC Medical Center. But let me put that into context, Winston-Salem and the Triad area which has a medical center also; they are in the \$220 million range. Greenville and Clemson, no medical center there, are in the \$210 million range. So we are a long ways away. There is no city our size that has this weak federal R&D as we do. That is a long-term fix; UNC Charlotte is on a rapid growth curve but starting from a very low base.
- Dulin: We can't leave that yet. I can see why it might be there but we have to strategize. Even if we double, we are \$40 million behind Greensboro. So what do we do?
- Wetenhall: There are two parts; the first part is how you fix that specific issue and the other part is how you leverage what we do have. We really have to grow UNC-Charlotte research enterprise and that requires that the University add PhD programs. They are doing, but the single biggest thing that we can do is actually have a medical school here.
- Mitchell: Paul, on that note most of us went on an intercity trip to Foster. They mentioned to us that there was some discussion about a medical school here. Brad, do we know how serious that discussion was?
- Kimble: Money at the State Legislative level got in the way because Carolina Medical Center was partnering with UNC-Chapel Hill. They were going to put some of the students here and some in Asheville and the money budget at the State level got in the way.
- Wetenhall: That would address training which is a really important thing and has a modest impact on the research enterprise. It's not that the students were being trained as MD's, its other parts of the medical center that drives the research money. The key thing is that PhD programs that have world class and international class PhD credentials attract that complete Federal R&D funding.
- Mitchell: You mentioned UNCC, but in my mind what makes Research Triangle Park so successful is that they have a pool from Duke and other universities (UNCC, Queens and J.C. Smith collectively).

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Wetenhall: Yes, we want it from all the places. As a practical matter, Queens is not a research university. J.C. Smith University does have some research activities; they are small at this point. But whether it's J.C. Smith University or UNC-Charlotte or a little bit of Davidson, at the end of the day, it's the research university that drives this. Now the other point to your question on what do we do about it. In Charlotte, our high growth businesses in the near term in the next five years will come from those R&D areas but much more will come from the expertise of people who are already in existing clusters. Lots of people that I am seeing are forming businesses coming out of their expertise and the same thing with energy and other clusters. An important strategy for us as a community is how we tap the talent that we have; we have great talent working in certain areas. How do we get more of those people when they decide to form their business to do it here rather than in The Valley or in Boston? The last point on strengths and concerns; Charlotte does not have a single venture capital firm. We have venture capitalists that live here but we don't have a venture capital firm that is in early stage businesses. We do have a growing Angel Investor community; Angel Investors are those individuals that have personal wealth that enables them to make equity investments in start-up businesses. We really have to tap that whole investing community.

Mitchell: Didn't we have the Angel Investors come before us last year?

Kimble: We had at the Mayor's business breakfast a group of venture capitalist and a group of those investors at the table.

Cannon: You can go into a few buildings such as Cameron Brown or the Independence Center and you will find entities there that say that they are capital investment firms. Typically they look for a certain type that will fit what they are looking for, but there are some that will do venture capital for start-up companies. But you are saying that we don't have any here?

Wetenhall: Yes. This is an interesting place where you would get into a question of semantics to some degree and to whether people do what they actually say that they do. We have a lot of private equity in Charlotte and we have a lot of people who manage large sums of money but typically they are investing in an established company for growth or for merger. Venture capital is defined as investing in early stage companies. There are some people who say that they are in that business but there is not a single venture capital investment that has been reported in the last several years from a company in Charlotte into a company in Charlotte. In 2010, there were 57 venture capital investments in North Carolina; there were eleven of those in Mecklenburg County. They were all from firms that were located in the Triangle or Atlanta or other places.

Cannon: What you say is true. My history dealing with those firms; they wanted you to be already established and looked to help you expand and help you in the way of acquisitions.

Wetenhall: There are a lot of people that will say that they are venture capital but what they mean is pay me money and I will help to raise money for you. That is different from a venture capital that has his or her own cash in the bank ready to write the check. A finder is different from the actual venture capitalist. I am not trying to give you specific programs on what to do, but rather the framework to evaluate specific programs. I really wanted to identify five broad areas; the first is talent which is the most critical component to entrepreneurship ends up being the human being and we want to attract him here. In

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- Rochester, we proactively sought people who had grown up in Rochester or had a connection that had gone to the West Coast or to D.C. and wanted the quality of live to move back to Rochester. We actually were able to get some hot shot entrepreneurship to locate back. They changed the dynamic in that community of one million people by bringing a much more aggressive bigger type of entrepreneurship that some of the homegrown people had. So we want to attract talent to Charlotte that is entrepreneurial. We want to identify the talent that is here and get very efficient at connecting it. How often do you hear people say "oh, I did not know that person was doing that"? There is a lot of work to be done there. We also want to develop the talent. There are a lot of things going on in seminars; we can be more proactive in that. So talent is a big topic.
- Mitchell: Mayor Pro Tem and I were here when Council went to incubators to solve a lot of this, but we have failed in two attempts. So it would be interesting to give us some information about incubation or a solution to develop this talent.
- Wetenhall: I am responsible for the Ben Craig Center which is an incubator. In Rochester, I was responsible for an incubator very similar to Ben Craig and a wet-lab bio-tech incubator that we did for the medical center there. Incubators don't solve the issues with talent because they deal with small number of individuals. They have the potential to provide intensive coaching and assistance for a small number of people but they don't solve the broader topic. Most incubators in America, despite the way they position themselves, are real estate operations. Real estate is not part of the entrepreneurial problem. We aren't failing because we don't have a place to do our business; good incubators have really good business assistance and coaching programs. Most incubators, when you look at what they really do, they share conference rooms and copiers and collect the rent. That is not going to materially alter the quality of the business.
- Dulin: How many companies are there at Ben Craig now?
- Wetenhall: Currently, we have 15 companies; 115 over the last 25 years. In the 1990's, the Ben Craig Center had seven new companies a year move in. In the 2000's, it had 1 ½ companies a year move in. The last three years we have had five per year move in, so we are trying to change the calcified position we have been in. Incubators are a piece of the solution but are not the solution.
- Dulin: Does the City fund the Ben Craig Center at all?
- Wetenhall: No, it does not. The Center is funded by UNC-Charlotte, who owns the building and they subsidize by giving us the availability of the building. We collect rent from those companies which pay for the staff and the programming. The only source of support is the client and UNC-Charlotte.
- Mitchell: We do fund the Institute for Entrepreneurship at CPCC?
- Kimble: No. The interesting conversation that will evolve in multiple meetings here is what is the City's role in this overall entrepreneurial strategy framework.
- Wetenhall: The second thing in the what to do list is opportunity assessment. I can't tell you how many entrepreneurs show up in my office and say, "hey Paul I have this cool idea". They are all ready to go and want me to introduce them to an investor. That is never the right thing to do; rarely are they ever ready to go to the investor. The big thing we can do to help entrepreneurs is assess if they have a business opportunity. It sounds simplistic. Who is your market? How do you know that this is your market? Will they buy what you

have got? If they buy it, what is the competitive scenario? Is there a business model where you can make money at it and other questions? There is a discipline that we can apply with coaching and mentoring and this is where an incubator can help. To help an emerging entrepreneur determine if they have an opportunity, and if the answer is no, you want to give them that straight up feedback that this doesn't look very promising. Go on to the next idea rather than waste money on an idea that is not going to turn into a successful business. We have done a lot of work with different folks in the community on this; SBTDC, Institute for Entrepreneurship at CPCC and others about how we can infuse this as a competitive advantage for Charlotte. So we helped emerging entrepreneurs and I mean the community and not the Ben Craig Center alone. Help those entrepreneurs really have an honest opportunity for a go or no go decision early on. That is a really important thing as a community that we can do. In addition to that, what we should do for an opportunity assessment; you know YAP over on South Boulevard. Those guys came out of Wake Forest and they located in Charlotte and there are other people that we see through the five ventures business competition thing. There are people from other universities within a three hour radius who would rather be in Charlotte than in Columbia or Clemson or Winston Salem. So we have an opportunity to do an intellectual property attraction to get people to bring that to Charlotte as a way to solve that R&D problem in the short run.

Dulin: I got a call from a friend of mine in New Hampshire and he is in the shoe business. He and his partner have bought a shoe line away from Timberlake and they want to expand this outdoor shoe line. He was down here to sponsor a running event at the Whitewater Center and they thought it important enough to come down here and see it. At the same time, they have gotten a grant from the University of New Hampshire to start studying manufacturing possibilities. Timberland has been making everything overseas and they want to keep it local. As a result of his trip, we are going to put Mecklenburg County and North Carolina on the list of places that he wants this group and in New Hampshire to study for a shoe manufacturing location.

Wetenhall: The third point on what to do is venture launch. That can be done in multiple places, such as uptown and Ben Craig can be doing it. It can be done in a kind of web of in-depth assistance provider assistance though out our community. Mentoring engagement is very important for connection. A place where the City can help is with access to government and corporate partners. When you launch a company, you need capital and customers. There is a very innovative program in South Carolina called Inoventure that Governor John Warner started years ago. It brings together big companies with smaller companies in academic researchers in a I have this problem what do you have or I have this solution what do you need, that type of matchmaking. With the great large companies that we have here in town, I think we can more systemically make those matches. Venture growth with networks and ways connect people and the last place that the City can make a definite contribution is in the celebration. Entrepreneurs in Charlotte say that they feel like most people in Charlotte don't care about me. That is not unusual you can hear that in lots of communities, but we can celebrate the entrepreneurial success so that the kid in high school says mom and dad I want to be an entrepreneur. Equity in capital is on the what to do list, whether it's a small business or a high growth, they need capital. The key

point is that this is not solved by banking and loans. There is very little that banks and lenders do that have to do with starting companies except for a very few companies that have collateral. Most companies are of zero bankability, there are some limited exceptions to that. So what we need to do is unlock investment capital, the kind of money that can go into the company with the hope that it generates a great return but with the realization that it may be a total write off. Because venture capitalist are not dominate source of that in any community, the key thing is to unlock it from wealthy individuals. The things we can do to build Angel networks and support that are State tax policies and other things; 700,000 businesses start annually, 50,000 Angel deals, and 3,000 VC deals. Of that, only 300 go into start-ups. It's really important to get those angles going. There are a lot of regional innovations and entrepreneurship ecosystem threads out there in the community. The City, with the new web portal that you just launched, UNC-Charlotte never taught entrepreneurship in the past year. They have launched an entrepreneurship concentration with 150 undergrads in it. There is a creative economy working group and social enterprise working group called Queen City Forward; Angel groups and incubator activity such as PIES, Packard Place, and several in surrounding towns. Center City Partners wants to do things in entrepreneurship and there is a lot if grass roots activity such as Startup Weekend, Inventors Network events and Bar Camp. Five Ventures competition is becoming Charlotte Venture Challenge and established programs such as SBTDC, SBN, and BIG. We at Ben Craig are becoming something known as entrepreneurs, Charlotte Venture innovations catalysts where we want to take on a broader role on behalf of the community while continuing to operate the incubator. The goal is entrepreneurs of all types want to grow their businesses in the Charlotte region; innovators and inventors experience great support of commercial success in the region. A focused and collaborative effort is needed to weave together the threads with highest impact; long-term commitment and focus on execution. We see Charlotte as a national innovation and entrepreneurship center, not just for tech companies or social enterprise, but across all those categories. I have talked longer than I should have. Are there any questions?

Cannon: Relative to the "what to do" when you have entrepreneurs who have a fresh idea or something that may involve an acquisition of something, making sure that they have a proper education, letting them know that they need experienced people and two understanding what some wealthy individual may be looking for. And how to actually package that deal if the cap rates are right. Are you at 7.5 or somewhere beyond that? Just making sure that they know how to package their deals so that they know and have an opportunity with an Angel investor they will know. We do have an entity now here in the City of Charlotte. They are wealthy individuals laid out by the presenter; they set up a single person here in the City to begin looking at different types of opportunities that may be coming forth. They are looking for those that are trying to connect with local, State and Federal government contracts. They will go in and secure those dollars and make them available for whatever the project may be. There is no ceiling on what they can do.

Wetenhall: For instance, the SBTDC they do a great job with that, the accessing capital with the Chamber did that as sort of financing 101 level. The key message there for any entrepreneur is that you only get one chance to make that first impression with Angel investors and it's hard to dig out of a hole if you go in and make a bad impression when

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- you don't understand how it really works. So people are well advised to get smart before they go and pitch their business.
- Burgess: The entrepreneurial growth companies which the 4% of starts and the 50% of net growth; how do we foster the high growth more than we are doing?
- Wetenhall: We all wish we could put all of our energies on that growth group because you would like to have that benefit. You don't know in advance who will be a high growth company, but you know those that are likely to be a high growth company. A very savvy entrepreneur, a person that is pursuing an opportunity as opposed to a necessity based entrepreneurship. Usually you don't get the high growth company from the person that is doing entrepreneurship as an alternative to the job that they couldn't find. The key thing is that you surround him with these mentors, the right attorney and connect him to the right investors and that is often what tips the person from being a regular small business and moves him to that growth curve. The Five Ventures contest which puts people in a competitive scenario where they pitch their plans and move up. One of the things you want to do is to make that bigger and broader called the Charlotte Venture Challenge for 2012 that would have a social enterprise track, a small business track, and a high growth track; use things like that to see who rises to the top and then add more resources to him. There is not a simple answer to the question but that is the approach.
- Mitchell: Paul, thank you. Staff it would be nice if we had like an entrepreneurial form just to get as much feedback from all the different entrepreneurs. I think a form would allow us to hear a lot more of the assessments out there and what they need. Paul I think your presentation being part of the form just can help having some type of structure to the form. I want people to come and complain but to come and say Charlotte is a city where entrepreneurs feel comfortable. If you all can reach out to other partners as well; I think there is a role for the Chamber, a role for the Charlotte Regional Partnership and especially for you Paul and Queen City Forward. Staff can you bring us something back?
- Kimble: It will be in the form of what kind of community input and community feedback that we can get. I think it's also knowing what groups are out there and what are they trying to do and how do you collectively work in a common goal.
- Wetenhall: I would just answer that by saying the chance for UNC-Charlotte continues to commit financially and with sources to support what we are doing. We are here to help the City in whatever way we can.
- Dulin: We have budget between now and June 13th? I think that is good work and I don't mind asking staff to spend some time on it. I am not in a super hurry, late fall is o.k. with me.
- Kimble: The Council said it was not of an urgent nature to get it done by the time budget passed, to take some time and look at the overall picture.
- Mitchell: Thank you staff. To the visiting Council member this was your baby, do you have any comments?
- Cooksey: No. Good work.
- Mitchell: O.k., thank you. The next item is the Business Investment Program.

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Subject: Business Investment Grant Program Study

Kimble: You remember we brought this issue to you to give you a historical view of how we do our Business Investment Grants. The Program has operated over the last few years. Today's presentation gives us a chance to get some suggestions or possible areas that you might want to explore and revise. After today, we need to ultimately come back and figure out when you want to have a joint meeting with the E.D. Committee for the County. We are going to give you a little bit more information today on some of the suggestions they may have a little bit different suggestions. The Charlotte Chamber of Commerce may have some different suggestions. We have to somehow put all of that into a hopper and decide what the outcome will be. Brad is going to walk you through some additional suggestions and areas where you may want to delve a little deeper.

Richardson: I will go quickly through the first part because you have seen it before. Ron mentioned the Chamber and the County. We are partnered with the County because we both have adopted the same policy; that is why we are heading down the path to jointly approve any revisions. The Chamber's role in this as you probably know is they are the group in the community that markets it, presents it to the customer who is often a relocating company and is very knowledgeable about what works and what doesn't. I have a slide toward the back that will give you a couple of feedbacks from them. As a review, we pay grants to new and expanding companies based on the amount of new property tax generated by the business. This is similar in form to programs in every county in the Charlotte region. We are not unique; most municipalities and county governments have these. It is often used to provide a match to State incentives. We have a Local Business Investment Zone as shown on the map in blue. It is the old Business Corridor Geography, the Westinghouse/Arrowood area and its transits station area that is a short distance away. Companies from the following business growth clusters are eligible for the Program. They include manufacturing, corporate headquarters, transportation and distribution logistics. Emerging technologies and industries as well as financial, insurance and professional services are also included. They be used to convert or adaptively reuse vacant retail Big Box sites. There are currently two grant categories, standard and large impact. The standard grant requires a minimum investment of \$3 million and create a minimum of 20 new jobs; manufactures can create ten new jobs with \$6 million investment within the Investment Zone. The jobs have to be at the average wage equal to or greater than 100% of the average for the Charlotte M.S.A. It can be lowered by 20% for those companies that hire 25% of new jobs from the Investment Zone. The grant terms are for three years and it gives the company the grant back or a grant based on 90% of new property taxes within the Investment Zone, not eligible outside of the zone. The large impact grants this is where most of the money is going to five companies. The terms require a \$30 million investment and/or a minimum of 150 new jobs with an average wage equal to or greater than 125% of the average annual wage rate for the Charlotte M.S.A., which is a wage of about \$52,000. You can do this in the zone and get 90% back of new property taxes within the zone or 50% of new property taxes outside of the zone. The grant term is for five years. Projects outside of the zone are eligible but receive a lesser benefit. There are some general terms; we require demonstrated competition for the project or evidence that these are competitive. I will talk about this one in just a minute. The "but for"

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- clause; meaning the company certifies to us that without this grant the project wouldn't happen. We have always told you that this is a dubious statement, hard to prove, but we think it is a good best practice. We can't imagine getting rid of that clause; it's important to have that as a statement. We require that the job investment be maintained throughout the term and we do have practices and procedures in place where if they remove the investment we are entitled to the money back. We have never had to use that but we have monitored that very closely and have that provision. That was sort of a quick background on what the Program is and it's for new companies and it's for existing companies today.
- Dulin: I think that is important what you just said the fact that we have never requested money back but we have taken companies out of the Program.
- Richardson: Yes.
- Dulin: When you come and talk to us about that it gives Council some comfort that we are just not handing out money that we are actually holding people accountable. I look at these things very carefully. I don't mind helping somebody if they are going to help themselves and help our community but I do want to hold them accountable.
- Richardson: These are not upfront grants it is often 1 ½ to two years before we make the first payment. The investment has to be made and hit the tax rolls before we even pay. So there is a time limit that protects us; it's a very conservative policy. Since 1998, the City has awarded 39 grants. Of those, five have been completed. Twenty-three are currently active and eleven have been withdrawn for non-compliance. Non-compliance means that they, and this is important, they may still be in Charlotte. Many of the eleven are they never hit the investment that they promised. They invested and they may have never hit the job number that they promised but they still hired a lot of people. Some of the numbers I am showing you do not include the withdrawn grants. We don't track them now because we don't have a contract with them. So just keep that in mind, the numbers that we show you. We do have more investments and jobs; we just don't track those. The next slide shows grants by industry sector with manufacturing having the most at 43% and logistics having the least at 7%. Grants by company size show 59% of the grants go to companies with more than 100 employees and 6% of the grants to companies with less than 20 employees. Mr. Cannon, the last time we presented this you asked "white collar versus blue collar", this is our attempt to answer that question. It's not perfect but you will see a lot of blue collar jobs and a good amount of white collar jobs as well.
- Mitchell: Brad, 59% is a positive with more than 100 jobs, but where we get questions are when people ask are those local jobs for local people? Do you monitor how many local jobs they hire?
- Richardson: We ask the question and the company gives us an estimate of how many will be relocated, most often they won't know it by an exact amount, but that's good new homes being bought and that's growth in our community. They will also guess how many they will hire locally, locally to them doesn't mean Mecklenburg County residents on the backend; it's hard to track that. If we check payroll reports and salaries at these levels, we don't have a good way of knowing if that employee on that payroll report moved in from Ontario as in some of Siemens people or local Mecklenburg County people.

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Cannon: I think it is important that we are talking about local opportunities being had by local citizens here in the City of Charlotte. At the same time we come back and talk about how important regional development is.

Richardson: This is not only about the company such as Siemens moving in; it's about the companies that grow as a result of Siemens moving in and the jobs that are created. We think that we should work with a company and we talked about ways to get their job postings at least communicated better on the City's website. Job fairs, there is an opportunity there but most companies don't need job fairs. We think broadly that employment for the local citizen happens directly and indirectly through small businesses that support the larger companies.

Cannon: At the end of the last slide, you said there is more investment and more jobs but we don't track that?

Richardson: That is right.

Cannon: Who does track it?

Richardson: What I meant by that is that the eleven companies that we have withdrawn grants from. The point that I was making is that doesn't mean that those companies are closed. A great example is General Dynamics headquarters and manufacturing in Charlotte. It was a great coup for our community; they never quite met their investment of \$24,000,000, they hit \$18,000,000. They valued engineered out of the project and unfortunately they lost the incentive. They are still here and they hired local people so what I meant Mr. Cannon by those numbers, I will show you in a minute those numbers do not include that investment.

Cannon: I assume we had the appropriate claw backs?

Richardson: Right. The large companies as you have pointed out; this is often used by large companies those that have more than 100 employees. This is private investment and jobs so \$640 million of private investment will be made by these companies if they fully make their projections and we fully pay what is obligated. To date however, \$213,000,000 is on the ground so about one-third of the promised investment is on the ground and that is good news. The other two-thirds are happening now, that does not include construction in progress or activity from withdrawn grants; Siemens plant is not included. For the jobs, if all companies perform. there will be 4,294. To date, about half of that or 2,665 actual new jobs. There is also jobs saved or retained; that number is 3,590. Think of a company that would have moved to Atlanta or other places. Those jobs remained and that is another thing that we track as well. Some of the financials, we have spent about \$1 million in ten years. There is a lag between the time we commit and the time that they produce. The City's budget for FY11 is \$383,280 and \$809,693 for FY12 as some of the larger projects start to come on line. City payment obligations through FY22 are \$9,900,000 and that assumes 100% of projects are complete and perform at the maximum level to meet their investment and the new tax base is created. Our grant payments shown on the slide are in yellow; these are the obligations for the active grants on the books if they perform at 100%. The green line just illustrates the nature of this Program is that we grant back a percentage either 90% or 50% of the new tax revenue. So the green line is the new anticipated tax revenue that correlates to the percentage of the tax revenue. We give back in the form of a grant.

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Mitchell: You scared me with that \$10,000,000 allocated for FY22 but this is a lot better.

Richardson: It's a real number, we are not hiding it, we want you to know it plays out over this. In FY12, Siemens new gas turbine plant when the engineering spinner comes online we pay for them. In FY15, we start paying for the gas turbine plant back, but it's also on the tax roll. In the Program performance, 87% of those that \$10,000,000 obligation, are some really impactful projects in our community. Headquarters that have been retained, new manufacturing plants moved in, Time Warner Cable has continued to expand, Electrolux moving in headquarter jobs; we have also made a sizeable investment in Cabarrus County. Some staff comments are that we would review this jointly with the Business Corridor Strategy. There is a process for that to be done this summer and brought back to you in July or August for review. We think the geography piece needs to be tied together with that. We will also use a criteria of 3,020,000 jobs and we want to hear from the County on that as well. They may not be in the same place as we are on that but we will talk about that in a joint meeting. Leveraging grants to help local small businesses using separate criteria for existing businesses that eliminates the requirement for competition. Lower the investment threshold for headquarters office projects. We are working with folks to see how we can have conversations with our large companies about how we can track their spending locally. We know that they are spending locally; we just can't tell you a good story about it because we don't know it. Our business is more and more about small business not just high growth, but the other ones we want to make sure that we can tell you the story of how a Siemens not only trade in direct jobs, but grown companies in Charlotte around it and the region. Adopt a fiscal impact model that accurately reflects the value of commercial development and consider using industry wage standards instead of regional average. Consider a program for energy efficiency/alternative energy improvements.

Mitchell: It is almost like a model from Duke Energy. They have recruited about six energy related companies. Are you talking about that kind of modeling?

Richardson: Yes. I am also talking about the local printers, the local caterers, the local companies that supply large companies. Not just sister and affiliated type industries that come for competitive advantages in the share of talent, but those that are in true supplier relationships. This is where I will remind you that your Focus Area Plan 2012 has a supplier initiative; it's going to be hard work but we are excited about it. It's to connect and build a network or mechanism for tracking supplier connections that our office helps make from small company to large company. The final thing the essence of competition in this doesn't often work for existing companies; this is one of the Chamber's feedback as well. Here is the scenario, a local company looks to qualify for this Program they want to expand and they come to the Chamber. The response is that you would qualify for this Program if you were to show competition. You should go next door to York County and get a quote; now it doesn't happen exactly like that but there is the feedback that we have gotten. There is the feedback that we have gotten that existing companies are penalized because you make them go across the border and make competition who knows how many we have lost from that respect. That is what the Chamber will tell you. We think there is work in that area. I don't know what it is yet, but we want to come back with some thoughts. The Chamber says that office projects that have high employee count but

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very low capital investment doesn't work very well because it is based on net new taxes. There is no way to incent headquarters unless they build a new building and they are only up fitting two floors in the current building. That is an issue and we don't have an answer today; we will talk more about that. Fiscal impact model, the County does something different. They have a fiscal impact model that measures the cost of the new company relocating against the proposed benefit. There is not an agreement between the City, County or the Chamber as to what that appropriate model is and that is what the second bullet talks about. We brought to you manufacturing projects that have lower wages than the County or the regional average but we have often brought you a reason to approve it because it is higher than the industry sector average. We think there is some merit to that, the manufacturing job typically pays lower than financial services job; equity there is something we would like to consider. The Chamber also wanted to talk about energy efficient and alternative energy improvements; there may be a place for this or a different program all together. That is all I have to say. We wanted your thoughts and concerns. Here is our potential path forward; we will come back to you in late July with some draft recommendations to change the Program. Get our ducks in the row as to what we think from the City and sit down with the County in August and have a coordinated session on how we can come together on the Program.

Dulin: This has been a good refresher. We are in these numbers all the time but not enough to where I would have full recall of the numbers. Thank you staff.

Mitchell: I do have a question about agenda items that we can put on the City/County joint meeting.

Richardson: O.K., we will come back to you in July hearing with some thoughts. Then we can discuss with Ron Mr. Mitchell's suggestions of agenda items for the City/County joint meeting.

Mitchell: I am looking at my Committee Members for other comments.

Dulin: One suggestion is that we don't get in there and then figure out who is running the thing. I would like for us to run it.

Mitchell: I have no problem with that.

Dulin: Why don't we be the host body?

Kimble: I think Mr. Mitchell has identified the two the Business Investment Grant Program revisions and discussions about amateur sports and a new public/private partnership model.

Mitchell: Meeting schedule?

Kimble: Your next regular meeting of this body is scheduled for June 9th. I think we may have a few Council members or staff member complications with that date and time. We are working diligently through the issue of the Mosaic Village, the West Trade/Beatties Ford Road project. We are going to come to the Committee soon, maybe not with a specific solution, but a conversation about the difficulties in finding the right way and the right participation and methodology if there is a good one. It is likely one topic for the next time that you meet; that is the biggest one. You are also going to be scheduled for your June 6th Workshop to get something on Ballantyne so that one is likely to be a referral to the Committee as well. So the most active ones are Mosaic Village and Ballantyne. They will have to work themselves through the Committee process.

Mitchell: The Catawba River District, is that E.D.?

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- Kimble: It's probably more environment, the Council will discuss that when it comes to you as a body and then the Council will decide where it gets referred.
- Mitchell: Ron, it would be helpful as to those projects if you can give us an update on TIF.
- Kimble: It's coming out tomorrow in your Council-Manager Memo. We have been putting that together. I will review the draft today then it's coming out to you tomorrow based upon your request to see what is on there on the TIF landscape. We are honoring your request for review for what is in there right now and that will come to you tomorrow.
- Dulin: Are we on or off for the June 9th meeting?
- Kimble: We think we will be off for June 9th based on the calendar and the schedules that we have heard about.
- Dulin: I have that meeting on my calendar and also something that says soccer, Bank of America stadium. I think that is the Latino Costa Rica Mexico soccer game that night.
- Kimble: Tell us again about your calendars because you had told me that you did not want to hold meetings in the last half of June and the first half of July. June 9th, if we have to reschedule, it would have to be prior to June 14th.
- Dulin: I can work on June 9th; you just tell me what time to be here.
- Mitchell: Can you do 3:30p.m. on that Friday or what about the 8th? Ron, are you here on the 8th?
- Kimble: Yes. What does June 6th look like? There is a redistricting meeting at 3:00 p.m.
- Mitchell: What about my favorite time on June 6th?
- Dulin: 12:00 noon?
- Mitchell: I can do 2:00p.m. Andy, can you do 2:00 pm? Staff, can you all do 2:00p.m.? O.k., what about 2:00p.m. On June 6th We will call it a post lunch meeting.
- Kimble: June 6th at 2:00p.m. works for us and we will check with Ms. Kinsey.
- Adjourned: 4:30p.m.

Economic Development Council Committee
Thursday, May 26, 2011 at 3:30pm
Charlotte-Mecklenburg Government Center
Room 280

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

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

- I. **BUSINESS INVESTMENT GRANT PROGRAM REVIEW – 30 minutes**
Staff: Brad Richardson, Neighborhood & Business Services
Action: Discuss current Program guidelines and potential updates to the policy in preparation for a joint City/County ED Committee meeting in July or August to discuss policy changes.

- II. **ENTREPRENEURSHIP STRATEGY – 30 minutes**
Staff: Brad Richardson, Neighborhood & Business Services & Paul Wetenhall, President, Ben Craig Center
Action: Begin discussion of a policy framework for the City's role in supporting high-growth entrepreneurs. Paul Wetenhall will provide an overview of current community initiatives and factors to consider as the Committee considers the City's appropriate role.

- III. **CRVA May Barometer Report – Information Only (Attachment)**

- IV. **DISCUSS NEXT MEETING: Thursday, June 9, 2011 at 3:30pm, Room CH-14**

Introduction

Paul Wetenhall, President, Ben Craig Center, Inc., a UNC Charlotte Business Partnership

Big Picture

- Daniel Isenberg of Babson College writing in *Harvard Business Review*.
 - ◆ Entrepreneurship ecosystem combines a set of individual elements in complex ways
 - ◆ Strategy must address the system for big impact
 - ◆ You never have enough, there are no right answers, you must experiment and adapt.
- Research by Glaeser and Kerr links regional economic growth to high rates of business formation a decade earlier.
- Innovation and Entrepreneurship together yield substantive results
- Success: jobs and wealth creation

Organizing Our Thinking

- Four types of entrepreneurship
 - ◆ Solo
 - ◆ Small Business
 - ◆ Entrepreneurial Growth Companies
 - ◆ Social Enterprise
- Venture stage
 - ◆ Pre-formation
 - ◆ Start-up
 - ◆ Growth
 - ◆ Established
- Individual role
 - ◆ Inventors & Innovators
 - ◆ Explorers
 - ◆ Founders & CEOs
 - ◆ Executives and Employees
 - ◆ Policy Advisors
 - ◆ Investors

Charlotte Strengths and Concerns

- Attractive community for well-understood reasons
- Strong small business formation; weaker high growth entrepreneurship
- Modest research enterprise
 - ◆ Academic R&D is \$35 mil, about 2% of Research Triangle's \$1.6 bil.
- High growth businesses will come from strong clusters: IT, energy, etc.
- No local venture capital firms; angel investors emerging

What to Do?

- Talent
 - ◆ Attract
 - ◆ Identify & Connect
 - ◆ Develop
- Opportunity Assessment
 - ◆ Attract intellectual property to Charlotte; \$2.3 bil. Academic R&D within 3 hours
 - ◆ Connect inventors and innovators with entrepreneurs
 - ◆ Opportunity Assessment as a regional competency: market focus; early, honest feedback
- Venture Launch
 - ◆ In-depth business advisory services; multiple sources
 - ◆ Mentor engagement
 - ◆ Corporate and government partner access
 - ◆ Investor access: equity, primarily angel investors
- Venture Growth
 - ◆ Networks
 - ◆ Growth financing access: equity and debt
- Celebrate

Equity Capital

- Relevant to small business, high growth, and social ventures
- Not solved by banking and loans
- Must unlock investment capital...especially wealthy individuals
- National: 700K business starts annually, 50K angel deals, 3K VC deals (few start-ups)

Right Time to Transform Charlotte

Regional Innovation & Entrepreneurship Ecosystem Threads

- City entrepreneur portal
- UNC Charlotte entrepreneur concentration
- Creative Economy working group
- Social Enterprise (Queen City Forward) working group
- Angel investment groups active
- Incubator activity: PiES, Packard Place, towns
- Center City Partners 2012 Plan multiple ideas relevant to entrepreneurship
- Grass roots: Startup Weekend, Inventors' Network events, Bar Camp, ...
- Five Ventures competition becoming "Charlotte Venture Challenge"
- Established programs: SBTDC, SBN, BIG...



Ben Craig Center Becoming “CVIC”

- Strategic direction adopted in 2010 supported by UNC Charlotte commitment
 - ◆ Coordinator of programs and services
 - ◆ Provider of high growth entrepreneurship and tech commercialization services
- Goal: Entrepreneurs of all types want to grow their businesses in the Charlotte region; innovators and inventors experience great support for commercial success in the region.

Focused and Collaborative Effort Needed

- Weave together the “threads” with highest impact
- Long-term commitment and focus on execution
- Charlotte as a national innovation and entrepreneurship center
 - ◆ Small business
 - ◆ Entrepreneurial growth companies
 - ◆ Social enterprise

For additional information, contact:

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Charlotte, NC 28262
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704 602-2168



CHARLOTTE.

Charlotte-Mecklenburg Business Investment Program

Economic Development Committee

May 26, 2011

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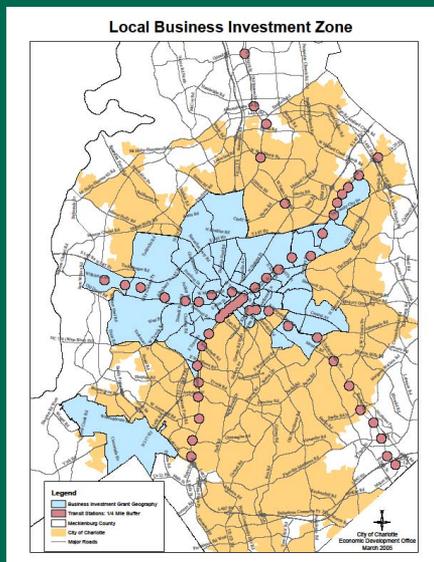
CITY OF CHARLOTTE

Council Action

- On April 11, Council referred the Business Investment Program to the ED Committee for a discussion of potential updates to the program.
 - Eligibility criteria
 - Job creation, investment, industry sectors, average wage
 - Alignment with business corridor strategy
 - Coordination with County

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- Created in 1998 in partnership with the County to encourage the attraction, retention and/or expansion of businesses and jobs
- Provides grants (City and/or County) based upon the amount of new property tax generated by the business
- Similar in form to programs in every county in the Charlotte region
- Often used to provide a match to State incentives



- Utilizes an Investment Zone that includes:
 - Business revitalization geography
 - Westinghouse submarket
 - Transit stations



Program Overview

- Companies from the following business growth clusters are eligible for the program:
 - Manufacturing
 - Corporate Headquarters
 - Transportation & Distribution (Logistics)
 - Emerging Technologies & Industries
 - Financial, Insurance & Professional Services
- May be used to convert or adaptively reuse vacant retail "Big Box" sites
- Two grant categories
 - Standard
 - Large impact

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Standard Grant

- Minimum investment of \$3 million
- Minimum of 20 new jobs*
 - Average wage equal to or greater than 100% of the average for the Charlotte M.S.A.
 - Can be lowered by 20% for those companies that hire 25% of new jobs from the Investment Zone
- Grant term – three years
- 90% of new property taxes within zone
 - Not eligible outside of zone

*Manufacturers can create 10 new jobs with \$6 million investment within the Investment Zone

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Large Impact Grants

- Minimum investment of \$30 million, and/or
- Minimum of 150 new jobs
 - Average wage equal to or greater than 125% of the average annual wage rate for the Charlotte M.S.A.
- Projects outside of the zone are eligible, but receive a lesser benefit
- Grant term - five years
- 90% of new property taxes within the zone
- 50% of new property taxes outside of the zone

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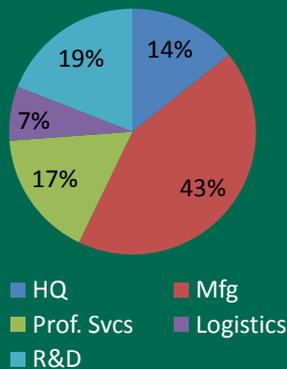
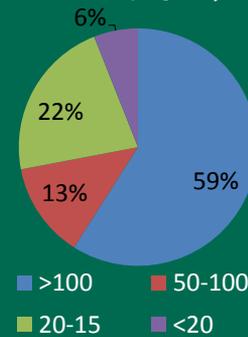
Program Specifics

- Requires demonstrated competition for project
- "But for" clause: companies must certify that the project is contingent upon receiving local incentives
- Jobs and investment must be maintained throughout the term of the Grant
- Claw back provision allows City to recoup payments for companies that relocate outside of Charlotte during the term of the Grant

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- Since 1998, City has awarded 39 grants
 - 5 have been completed
 - 23 are currently active
 - 11 have been withdrawn for non-compliance

Grants by Industry Sector

Grants by Company Size
(# of Employees)



Program Performance

Private investment:

- Projected - \$646 m
- Actual (to date) - \$213 m*

Jobs:

- Projected new jobs- 4,294
- Actual new jobs (to date) - 2,665*
- Actual retained jobs: 3,590

*Does not include construction in progress or activity from withdrawn grants

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Program Performance

- City expenditure to date: \$1.09 m
- City budget for FY11: \$383,280
- City budget for FY12: \$809,693
- City payment obligations through FY22: \$9.9 m
 - Assumes 100% of projects complete

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Program Performance

Future Obligations/Future Revenue



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Program Performance

- 87% of future payment obligations are for five large impact projects

Company	New Jobs	Capital Investment	Estimated Grant
Siemens Energy	1,065	\$172 m	\$5.1 m
SPX	180	\$133 m	\$1.4 m
Time Warner Cable	870	\$98 m	\$1.3 m
Electrolux	750	\$8 m	\$453K
Celgard	130	\$66 m	\$452K

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Under Review

- Alignment with the Business Corridor Revitalization Strategy (currently being updated)
- Eligibility criteria and geography
- Leveraging grants to help local small businesses
- Separate criteria for existing businesses that eliminates the requirement for competition

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Suggestions

- Lower the investment threshold for headquarters office projects
- Adopt a fiscal impact model that accurately reflects the value of commercial development
- Consider using industry wage standards instead of regional average
- Consider a program for energy efficiency/alternative energy improvements

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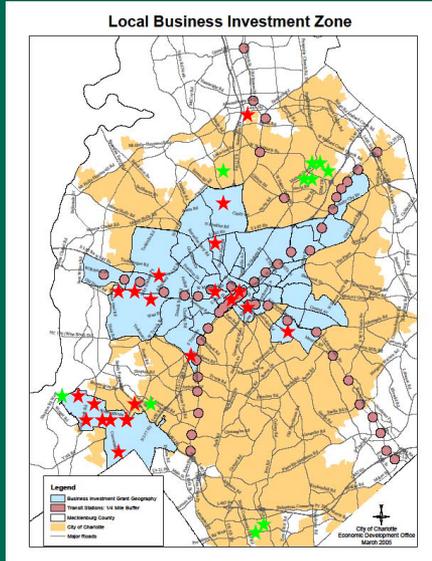
Committee Discussion

- Committee concerns/issues
- Additional information needed by Committee
- Next steps:
 - July: Committee receive draft recommendations from staff
 - August: Joint City/County ED Committee meeting to discuss policy revisions

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Locations of
Grant
Recipients

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The Charlotte

BAROMETER

Report



An Official Publication of the Charlotte Regional Visitors Authority

MAY 2011

National & International Business & Convention

CENTER FOR EXHIBITION INDUSTRY RESEARCH

The **Center for Exhibition Industry Research (CEIR)** announced the release of the *CEIR Index Report, An Analysis of the 2010 Exhibition Industry and Future Outlook*. The Index reports that the overall exhibition industry hit bottom in 2010, and that the industry should see a modest recovery during the next three years in all metrics across most sectors.

The *CEIR Index Report* reveals that the overall exhibition industry fell for a third straight year in 2010, declining by 2.4%. Revenue suffered the largest decline of 8.4%. A positive sign is that attendance, the leading indicator of the exhibition industry, increased by 2.4%.

Local Perspective

CHARLOTTE AREA LODGING – MARCH SMITH TRAVEL RESEARCH

Charlotte area occupancy was 64.2% for the month of March, a 7.9% increase over March of 2009 and the best single month occupancy in the market since June of 2008 (65.7%). Charlotte area occupancy has now increased for 15 consecutive months.

Charlotte area **occupancy** was 64.2% for March, up 7.9% from March 2010. Year to date, Charlotte occupancy is 57.9%, up 6.4% from the same period last year. By comparison, year to date occupancy is 54.9% in the US (up 5.7%) and 50.1% in NC (up 5.3%). Top 25 market occupancy is 62.9% year to date, up 5.7%.

With 645,334 **rooms sold** in March, the Charlotte area had its largest monthly demand total since October 2007 (669,011). Charlotte demand in March 2011 was up 10% from March 2010, marking the 17th straight month of increases. Year to date, Charlotte demand has risen 8.3% from the same period last year. By comparison, year to date demand is up 6.7% in the US, 6.8% in NC and 6.8% in the Top 25 markets.

Charlotte area **average daily rate** was \$88.16 in March, up 9.2% from March 2010. March was the best monthly rate in the market since October 2008 (\$92.57). March was the 9th consecutive month of rate improvement in our market. Year to date, ADR is \$84.20, up 5.4% from the same period last year. By comparison, year to date rate has grown 3.1% in the US, 3% in NC and 3.9% in the Top 25 markets.

Charlotte area **revenue per available room** was \$56.57 in March, up 17.8% from March 2010 and the best since October 2008 (\$58.14). Charlotte revPAR has now grown for 14 consecutive months. Year to date, revPAR is \$48.78 in Charlotte, up 12.2% from the same period last year. By comparison, year to date revPAR is up 9% in the US, 8.5% in NC and 9.8% in the Top 25 markets.

MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS-- FY11 THROUGH MARCH

Mecklenburg County 6% regular occupancy tax collections total \$17.4 million fiscal year to date through March, up 15% from the same period last year.

Mecklenburg County 2% NASCAR hall of fame occupancy tax collections total \$5.8 million fiscal year to date through March, also up 15% from the same period last year.

Mecklenburg County 1% prepared food & beverage tax collections total \$15.3 million fiscal year to date through March, up 6% from the same period last year.

National Leisure & Tourism

US TRAVEL ASSOCIATION TRAVEL TAX INSTITUTE

The **USTA's** Travel Tax Institute's first project was surveying consumer attitudes toward travel taxes. The study found: 49% of travelers say they have altered their plans due to high travel taxes, including staying at less expensive hotels, spending less on shopping and entertainment, and visiting during the off-season; 68% of travelers rated hotel taxes as "very high" (35%) or "high" (33%); 66% rated taxes on airfare as "very high" (38%) or "high" (28%); Nearly two out

of three travelers surveyed (64%) say that the total tax rate on rental cars is "much more" than they expected to pay compared to other travel taxes; and Nearly two-thirds (65%) say they expect to pay higher travel taxes in the year ahead; only two percent believe taxes will decrease.

Economy

BUSINESS TRAVEL HITS HIGH SINCE RECESSION BEGAN IN 2008

Travel Smart News reports that increasing business travel spending is a leading indicator of future job growth – meaning more good news may be ahead on the employment front. For the year, total U.S. spending on business travel grew by 3.2% -- up substantially from the 2.3% for the year forecast previously. Business travel spending in 2011 is now expected to be even

stronger than estimated last quarter, advancing by 6.9% for the year – up from the 5% growth forecast previously. Thanks to increasing corporate confidence, companies are investing more in business travel which will further stimulate business activity and economic growth.

Media

APRIL 2011 VOCUS

Vocus identified 4,112 news items on key words provided by CRVA during April. By category, the top 5 were NASCAR Hall of Fame (29%), Charlotte Attractions (18%), CRVA (10%), Charlotte Hotels (6%), and Time Warner Cable Arena (5%). By media type, 51% occurred via online consumer sites followed by online news & business sites (20%), television programs

(9%), newspaper (8%), cable/satellite – network/station (3%). A total of 80% of April's media hits took place outside the Charlotte region.

Sources for this Publication

- Center for Exhibition Industry Research
- Mecklenburg County Tax Office
- Smith Travel Research
- The TAP Report
- Travel Smart News
- US Bureau of Economic Analysis
- US Department of Labor
- US Travel Association
- Visit Charlotte/CRVA
- Vocus

*Michael Applegate, CDME
Director of Research, CRVA
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Inside This Report

- Barometer Summary (p. 1&2)
- Hospitality Industry Statistical Report (p. 3)
- Definite Bookings (p. 4)
- Pace Report (p. 5)
- Charlotte Convention Center Tradeshow & Convention Booking Outlook (p. 6)
- Hospitality Industry Sales Activities (p. 7)
- Lost Business Report (p. 8)
- Occupancy Tax Collections (p. 9)
- Prepared F&B Tax Collections and The Economy (p. 10)

HOSPITALITY INDUSTRY STATISTICAL REPORT

April 2011

Charlotte Market Lodging Production

	Charlotte Market	North Carolina	Competitive Set	United States	Top 25
March 2011 Occupancy %	64.2	55.8	62.7	61.4	70.1
% Change	7.9	5.4	7.3	6.1	5.9
March 2011 ADR \$	88.16	79.98	91.93	101.72	122.06
% Change	9.2	4.4	2.5	3.8	4.2
March 2011 RevPAR \$	56.57	44.65	58.29	62.47	85.51
% Change	17.8	10.0	1.0	10.1	10.3
2011 YTD Occupancy %	57.9	50.1	64.2	54.9	62.9
% Change	6.4	5.3	6.3	5.7	5.7
2011 YTD ADR \$	84.20	77.45	88.16	99.37	118.54
% Change	5.4	3.0	2.1	3.1	3.9
2011 YTD RevPAR \$	48.78	38.82	56.57	54.56	74.59
% Change	12.2	8.5	8.5	9.0	9.8

Source: Smith Travel Research-Stats lag by one month

Comp Set includes: Tampa, Atlanta, Indianapolis, Baltimore, Minneapolis, St. Louis, Greensboro, Raleigh, Cincinnati, Columbus, Philadelphia, Pittsburgh and Nashville

Charlotte Douglas International Airport Aviation Production

	Month of March	% Chg from Feb '10	2011 YTD	YTD % Chg from '10
Passenger Enplanements	Unavailable	Unavailable	Unavailable	Unavailable
Passenger Deplanements	Unavailable	Unavailable	Unavailable	Unavailable

Source: Charlotte Douglas International Airport-Stats lag by one month

Visit Charlotte Definite Room Night Production

	Month of April	Change from April 2010	FY 2011 YTD	YTD Chg (%) from FY10
Total Room Night Production	8,063	3,607	422,596	149,799 (55%)
Visitor Economic Development (\$)	8,417,852	8,192,422	316,386,570	112,046,484 (55%)
Number of Definite Bookings	23	7	319	41 (15%)
Average Size of Definite Bookings	351	72	1,325	344 (35%)
Total Attendance	10,729	8,094	631,367	74,122 (13%)
Convention Center GSF Booked	0	0	15,020,000	3,940,000 (36%)

Visit Charlotte Lead Room Night Production

	Month of April	Change from April 2010	FY 2011 YTD	YTD Chg (%) from FY10
Total Room Night Production	59,203	-126,266	837,338	-204,054 (-20%)
Number of Lead Bookings	55	6	672	93 (16)
Average Size of Lead Bookings	1,076	-2,709	1,246	-543 (-30%)

Visit Charlotte Housing Bureau Production

	Month of April	FY 2011 YTD	YTD% Chg from FY10
Total Reservations Produced	419	8,387	72%
Total Room Nights Produced	1,655	33,855	242%

Visit Charlotte Leisure Tourism Promotion & Production

	Month of April	FY 2011 YTD	YTD % Chg from FY10
Advertising Impressions	1,485,432	53,471,964	N/A
Visit Charlotte Web Site Visitors (Google)	88,604	878,276	2%
Motor Coach Group Bookings (Passengers)	788	4,555	24%

DEFINITE BOOKINGS April 2011

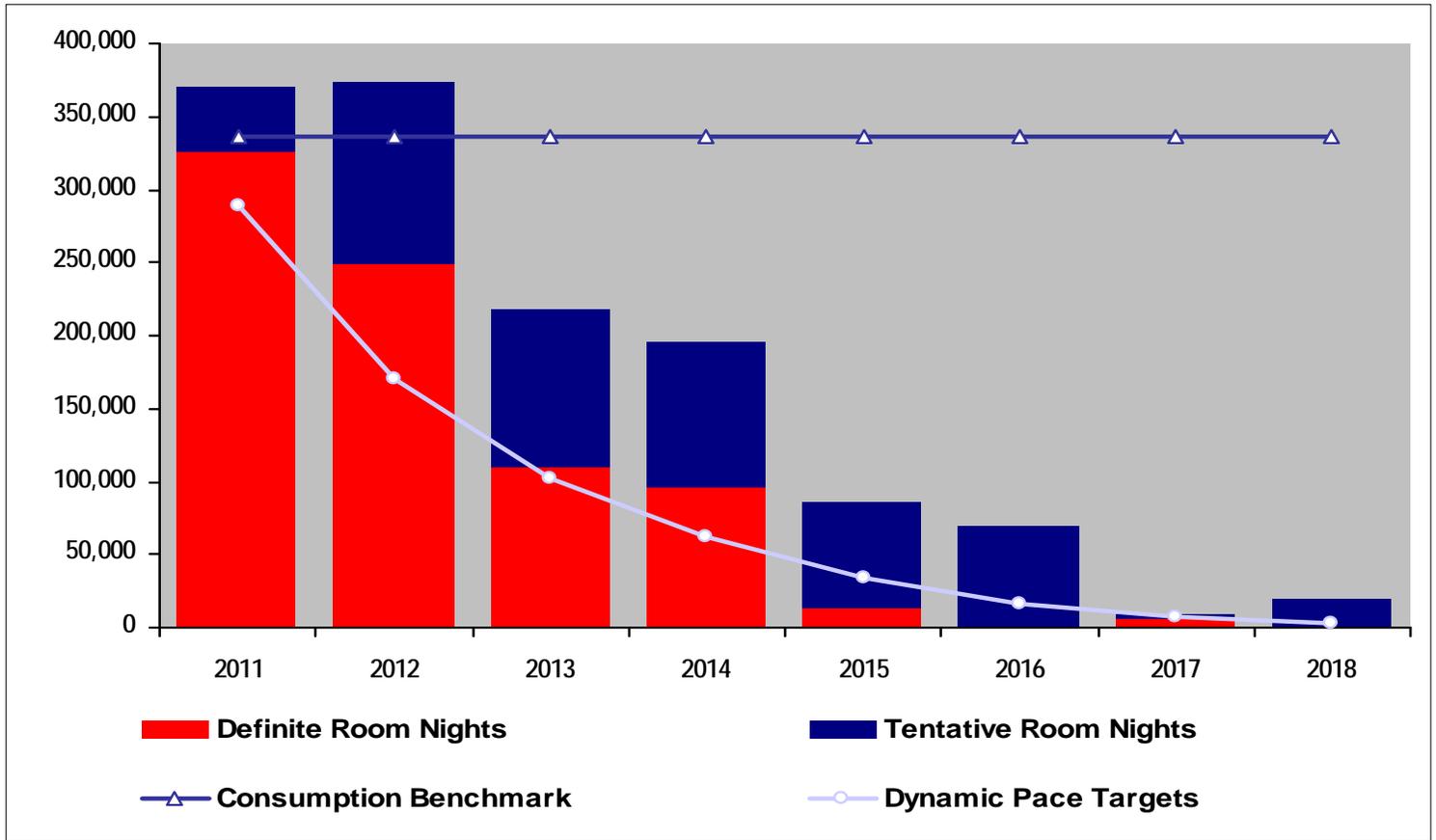
Charlotte Convention Center							
Group Name	Meeting Type	Event Date	Days	Exhibit Gross Sq Ft	Total Room Nights	Attend	Visitor Econ. Dev. (\$)
Rockwell Automation	Meeting	03/04/12	3	0	219	400	376,800
American Association of Motor Vehicle Administrators ®	Convention	08/14/12	4	0	1,987	550	690,800
Total				0	2,206	950	1,067,600

Conference Sales						
Group Name	Event Date	Days	Total Room Nights	Attendance	Visitor Econ. Dev. (\$)	
National Council of University Research Administrators	04/10/11	3	234	155	146,010	
United States Army	04/16/11	4	595	200	107,200	
BASF Corporate	04/19/11	1	0	200	62,800	
Electrolux North America	04/28/11	4	128	40	50,240	
RE/MAX Carolinas Region	05/03/11	1	0	360	113,040	
Cochlear Americas	05/12/11	1	20	250	78,500	
The Shaw Group, Inc.	05/19/11	2	44	30	18,840	
North Carolina Amateur Sports (NCAS) ®	05/20/11	4	490	3,000	1,608,000	
Wells Fargo ®	06/02/11	1	0	500	157,000	
North American Council for Staff, Program and Organizational Development	06/27/11	2	22	14	8,792	
Johnson Family Reunion	07/08/11	2	125	250	157,000	
Queen City Darting Association ®	07/14/11	3	188	300	120,600	
Hayward Family Reunion	08/04/11	3	30	35	32,970	
National Alliance of Highway Beautification Agencies	08/06/11	2	125	120	75,360	
Diversified Consultants, Assoc. Management Company ®	09/20/11	2	140	75	47,100	
North Carolina Metropolitan Mayors Coalition	11/30/11	1	50	50	15,700	
North Carolina Chiropractic Association ®	12/10/11	1	0	150	47,100	
American Association on Intellectual and Developmental Disabilities ®	06/16/12	3	755	400	376,800	
North Carolina Disc Golf ®	07/13/12	8	1,700	3,000	3,216,600	
Albert Harris High School Alumni Association, Inc.	08/23/12	2	211	250	157,000	
Church of Christ ®	09/29/12	6	1,000	400	753,600	
Total			5,857	9,779	7,350,252	
GRAND TOTAL			8,063	10,729	8,417,852	

Sports & Leisure Spending DKS&A 2007 Charlotte Update (attendance x \$134 x # days)
 Convention & Conference Spending 2005 DMAI ExPact Study (attendance x \$314 x # days)
 © Repeat Business

\$8,417,852 spending generates \$12,794,928 in local tourism economic impact, sustains 85 jobs and results in \$3,565,575 in state & local tax collections

Eight Year Dynamic Room Night Pace Report (As of 4/1/11) Trends Analysis Projections, LLC

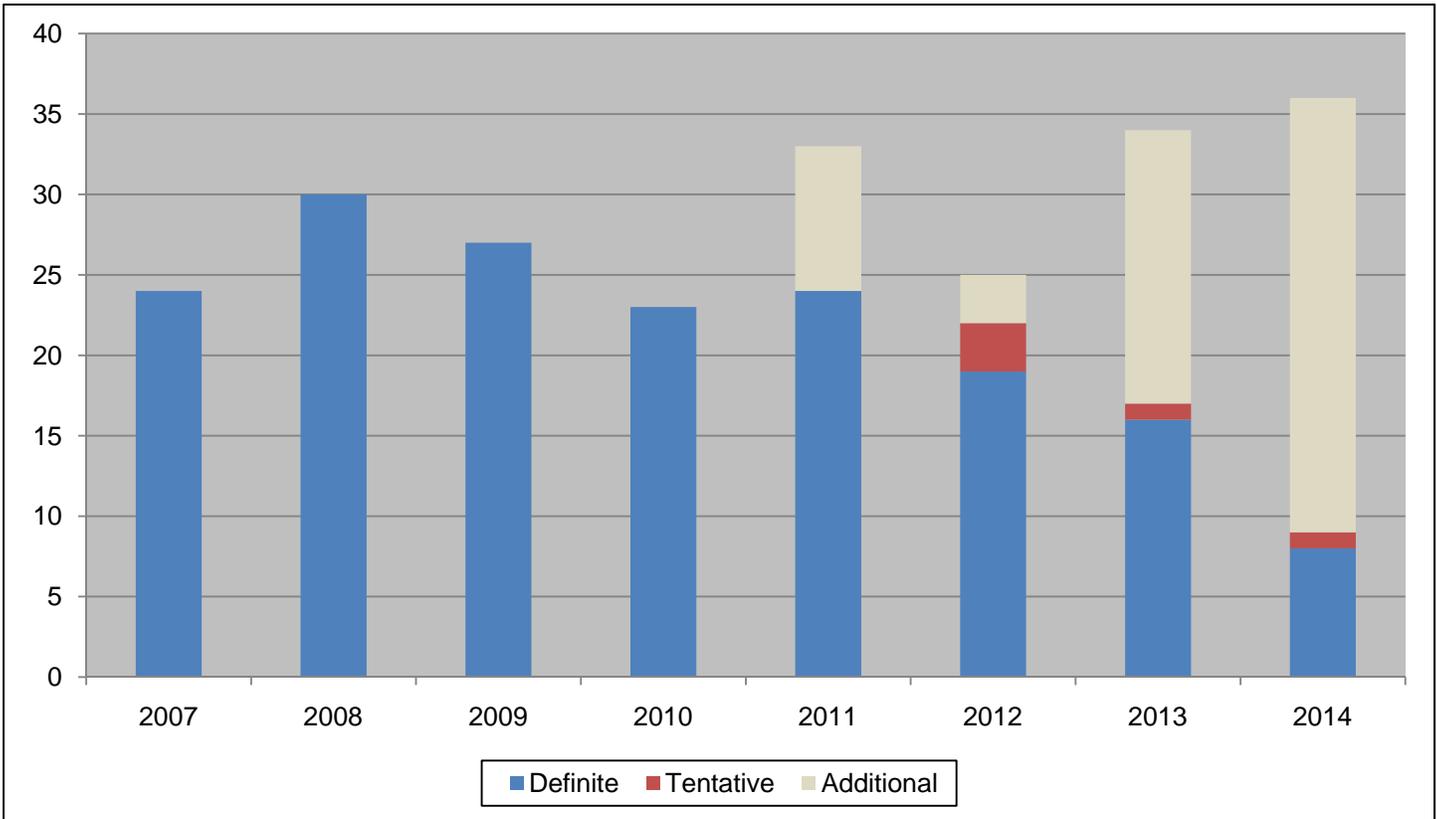


Eight Year Dynamic Room Night Pace Report (As of 4/1/11) Trends Analysis Projections, LLC

	2011	2012	2013	2014	2015	2016	2017	2018	Total
Charlotte Definite Room Nights	326,124	248,889	109,958	95,691	13,483	0	5,937	0	800,082
Pace Target	289,463	171,053	101,850	62,414	34,478	16,445	7,431	3,329	686,463
Pace Percentage	113%	146%	108%	153%	39%	0%	80%	0%	117%
Tentative Room Nights	44,762	125,081	107,239	100,081	72,145	70,247	3,525	18,730	541,810
Consumption Benchmark	336,628	336,628	336,628	336,628	336,628	336,628	336,628	336,628	2,693,024
Peer Set Pace Percentage	98%	95%	90%	85%	123%	106%	95%	216%	97%

Peer Set Data includes Charlotte, Baltimore, Louisville, Pittsburgh and Tampa

Charlotte Convention Center
 Tradeshow & Convention Booking Outlook
 (As of 5/2/11)



Charlotte Convention Center
 Tradeshow & Convention Booking Outlook
 (As of 5/2/11)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014
Definite Bookings	24	30	27	23	24	19	16	8
Tentative Bookings	0	0	0	0	0	3	1	1
Subtotal	24	30	27	23	24	22	17	9
Definite Target	20	21	26	30	33	25*	34*	36*
Variance	4	9	1	-7	-9	-3	-17	-27

*new goal beginning FY11

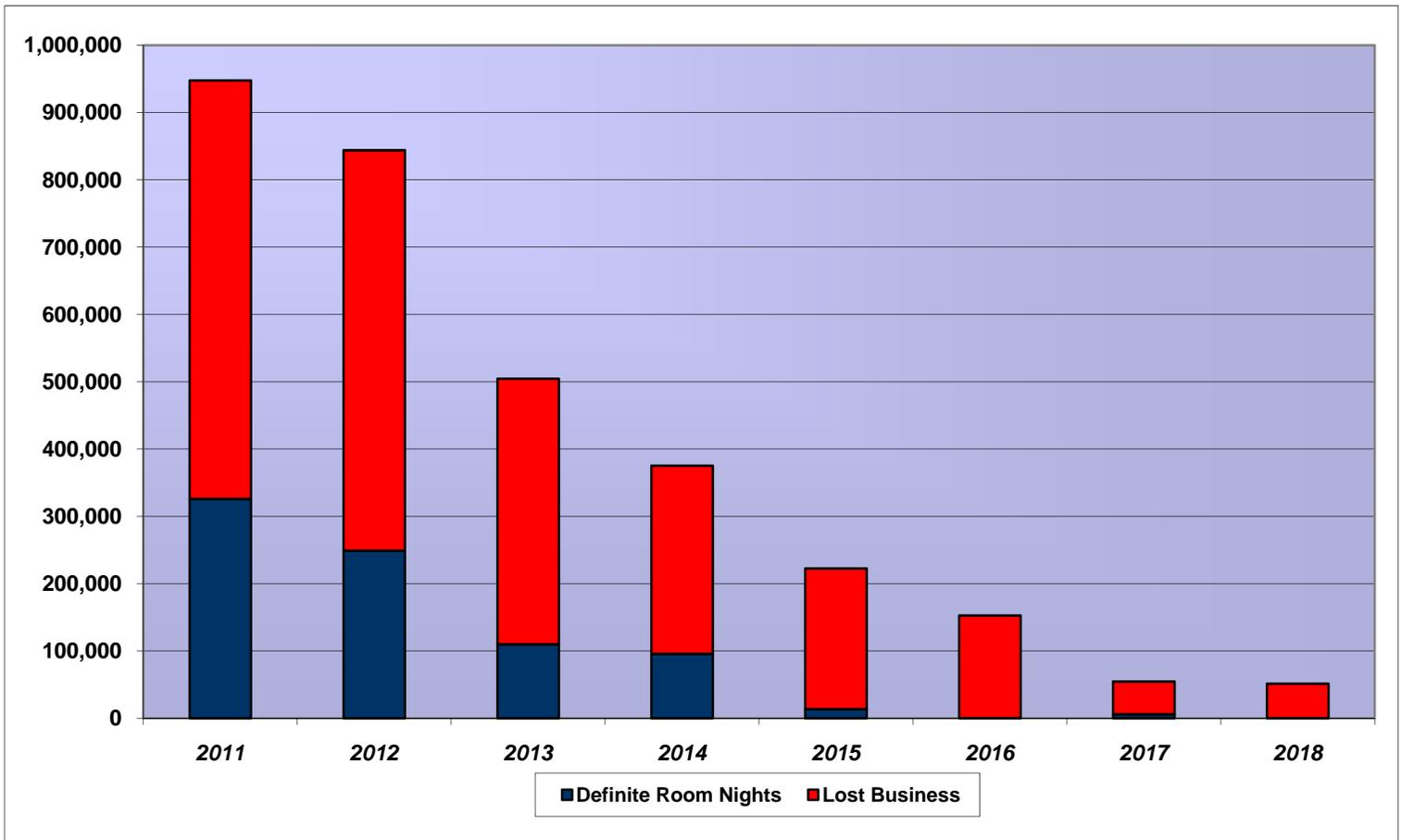
HOSPITALITY INDUSTRY SALES ACTIVITIES

April 2011

Site Visits			
Group Name	Venue	Total Room Nights	Total Attendance
DEFINITES			
Not Applicable			
TENTATIVES			
Presbyterian Foundation (Feb 2012)	Hotel	340	350
CALSTART, Inc. (Sep 2012)	CCC	815	800
Southern Early Childhood Association (Feb 2013)	Hotel	955	350
American Chemistry Society – Rubber Division (Oct 2013)	CCC	4,326	5,000
National Council for Continuing Education & Training (Oct 2013)	CCC	888	350
Professional Association for SQL Server (Oct 2013)	CCC	4,330	5,000
NC Association of Pharmacists (TBD)	TBD	TBD	TBD
USA Pentathlon (TBD)	TBD	TBD	TBD

Trade Shows & Events (attended by staff)	
Event Name	Location
Christian Meetings & Conventions Association	Asheville, NC
Destination Marketing Association International Board Meeting & CEO Forum	Lake Tahoe, NV
National Association of Sports Commissions	Greensboro, NC
Sales Mission	Washington, DC
Springtime Tradeshow	Washington, DC
UK Familiarization Tour	England, Ireland, Scotland
US Travel Association Board Meeting	Washington, DC

Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 4/1/11) Trends Analysis Projections, LLC

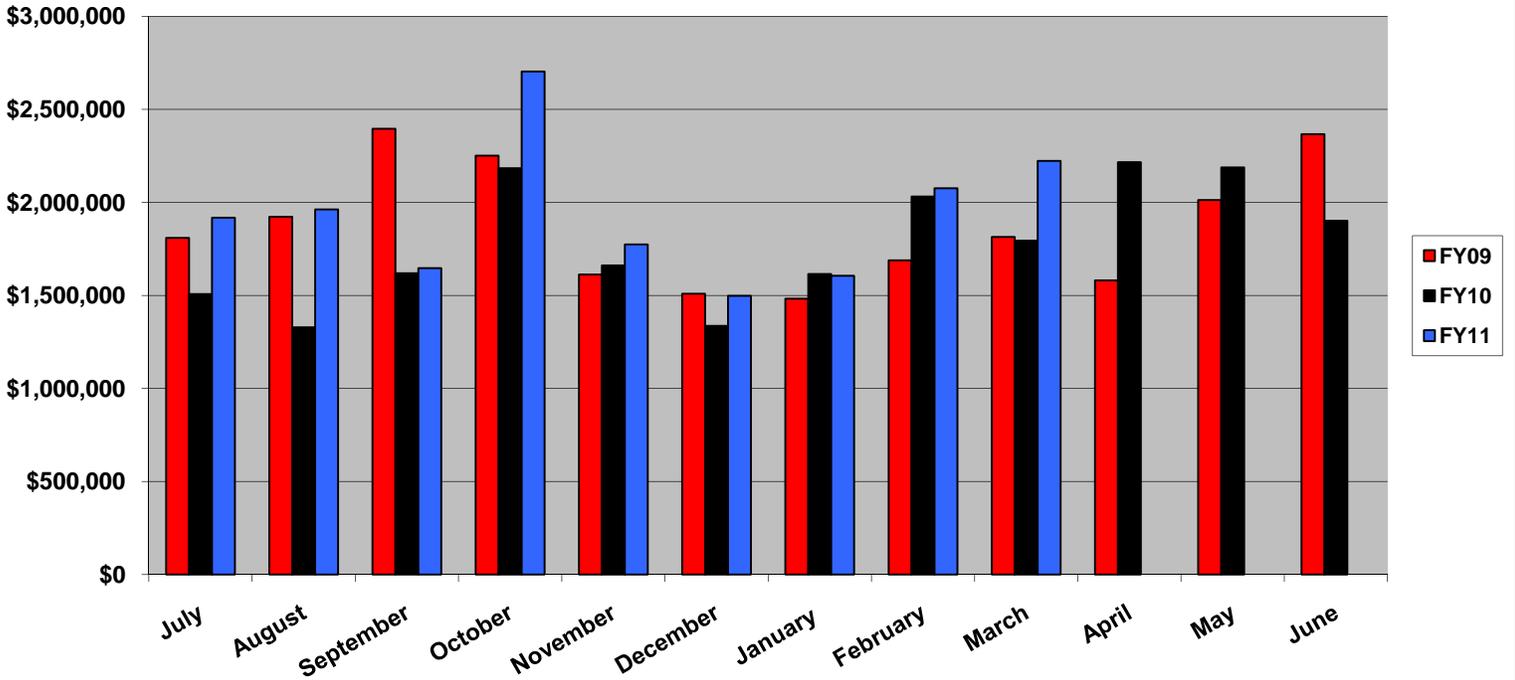


Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 4/1/11) Trends Analysis Projections, LLC

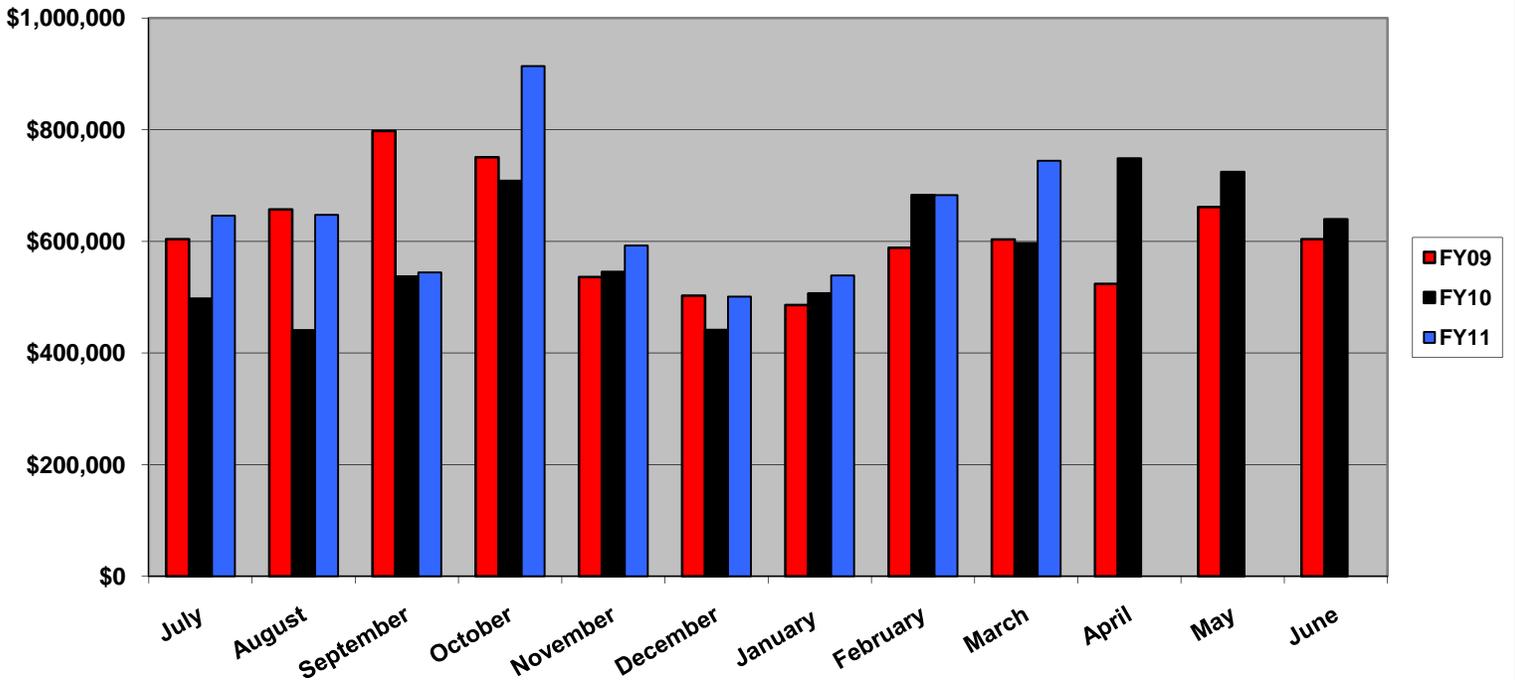
	2011	2012	2013	2014	2015	2016	2017	2018	Total
Charlotte Definite Room Nights	326,124	248,889	109,958	95,691	13,483	0	5,937	0	800,082
Pace Target	289,463	171,053	108,850	62,414	34,478	16,445	7,431	3,329	686,463
Pace Percentage	113%	146%	108%	153%	39%	0%	80%	0%	117%
Total Demand Room Nights	947,602	844,091	504,414	375,351	222,551	152,649	54,464	51,292	3,152,414
Lost Room Nights	621,478	595,202	394,456	279,660	209,068	152,649	48,527	51,292	2,352,332
Conversion Percentage	34%	29%	22%	25%	6%	0%	11%	0%	25%
Peer Set Conversion Percentage	26%	22%	21%	20%	24%	24%	18%	18%	23%

Peer Set Data includes Charlotte, Baltimore, Louisville, Pittsburgh and Tampa

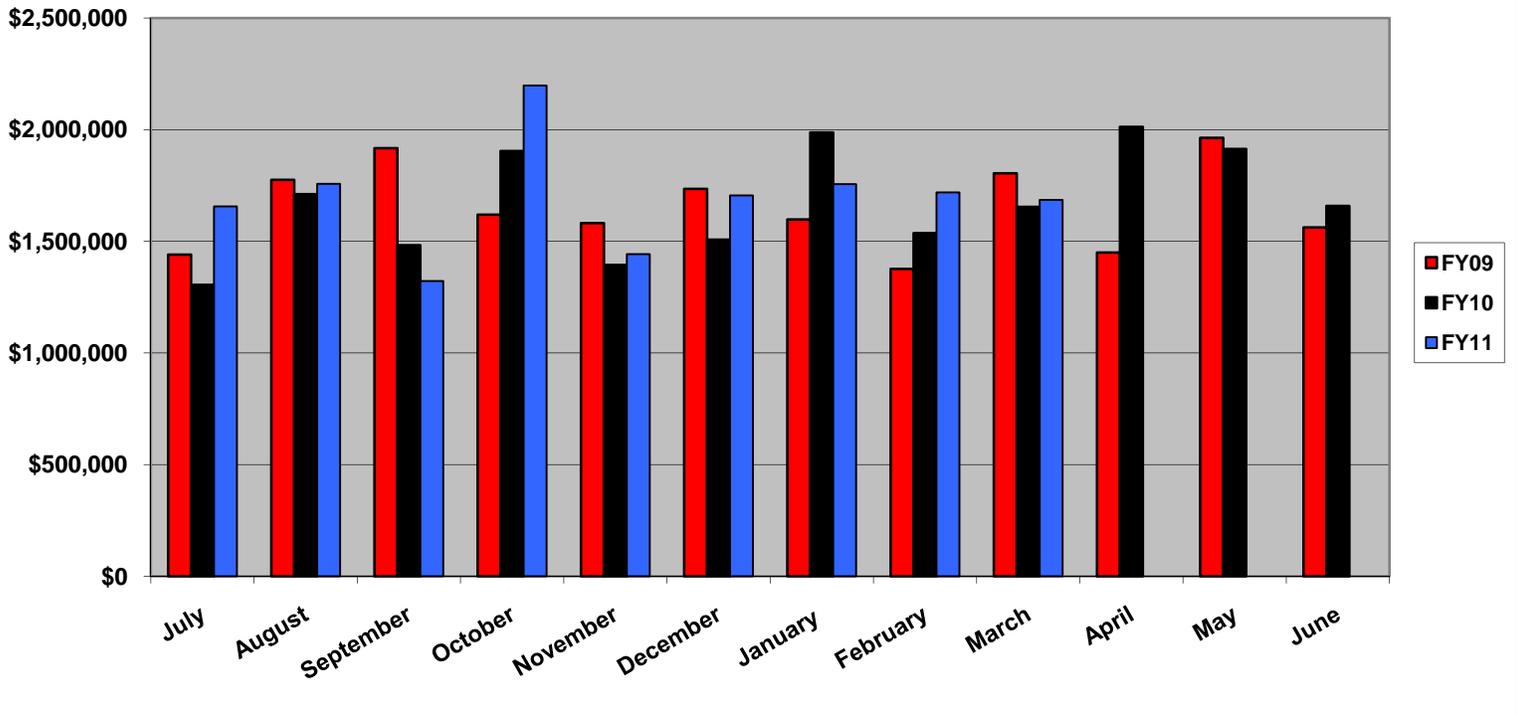
6% OCCUPANCY TAX COLLECTIONS



2% NASCAR HOF TAX COLLECTIONS



1% PREPARED FOOD & BEVERAGE TAX COLLECTIONS



THE ECONOMY
March 2011

	2010	2011	% Change
Consumer Confidence Index	52.3	63.8	22.0%
Consumer Price Index (CPI)	217.631	223.467	2.7%
Unemployment Rate			
- National	9.7%	8.8%	-9.3%
- State	11.1%	9.7%	-12.6%
- Local	11.9%	10.4%	-12.6%