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## **INFORMATION:**

### **Sept 6 – Democratic National Convention Kickoff Event and Business Investment Grant Tour**

*Staff Resource: Carol Jennings, City Manager's Office, 704-336-7285, [cljennings@charlottenc.gov](mailto:cljennings@charlottenc.gov)*

A kickoff event recognizing one-year until the start of the DNC will be held on Tuesday, September 6 at 11:00 a.m. The event will be held at Time Warner Cable Arena. The event is open to the public and will feature remarks from Debbie Wasserman Schultz, Mayor Anthony Foxx, Harvey Gantt, and Steve Kerrigan. Doors open at 10:00 a.m.

Included in Council members' packets are tickets to the event. Council members are asked to enter through the Lowes entrance off 5<sup>th</sup> Street.

Council is reminded that the previously scheduled Business Investment Grant tour is also scheduled for September 6. The bus for the tour will load at the CMGC circle at 11:45 a.m. for staff and Council members not attending the DNC event. The bus will arrive at the arena's Lowes entrance off 5<sup>th</sup> Street at 11:50 to pick up Council members who are attending.

### **Park Road Emergency Water Main and Street Repairs**

*Staff Resource: Jimmy Rhyne, CDOT, 704-336-3905, [jrhyne@charlottenc.gov](mailto:jrhyne@charlottenc.gov)*

Park Road, between Huntingtowne Farms Lane and Goneaway Road, continues to be closed for repairs due to a water main break. Detours are in place around the closure via Sharon Road West, South Boulevard, Tyvola Road, Fairview Road and Sharon Road. Propst Construction has completed repairs to the water main and is currently vacating the site to allow the roadway contractor, Blythe Construction, to begin roadway repairs. Charlotte Department of Transportation (CDOT), Engineering & Property Management and Blythe Construction will determine the exact extent of roadway repairs necessary once all affected pavement has been removed.

CDOT is coordinating with milling and resurfacing operations that were already underway on roads parallel to the closure. The North Carolina Department of Transportation's (NCDOT) operation on South Boulevard occurs nightly from 10:00 p.m. to 6:00 a.m. and should not impact daily traffic. City resurfacing operations on Fairview Road have been completed and milling operations on Sharon Road have been suspended until Park Road is reopened. CDOT signal timing staff continues to monitor traffic flow. All parties are monitoring the situation and working diligently to address issues as they arise. Crews are on schedule to reopen Park Road by September 10, 2011.

Weather and unforeseen circumstances occasionally prevent work from being completed as scheduled, and make it unsafe to reopen lanes or streets when planned. If this occurs, City traffic engineers will work directly with other City staff and contractors to resolve the situation quickly and reduce impacts to the traveling public.

CDOT has worked closely with Charlotte-Mecklenburg Utilities, NCDOT, CATS, Charlotte Fire Department, Charlotte-Mecklenburg Police Department, Medic and Charlotte Mecklenburg Schools to develop plans. The City will keep the community informed about the progress of the repairs, using the govdelivery notify system, Street Use Notification web publication, CharMeck.org website updates, Twitter, and CMail. The City will also reach out to neighborhood groups and nearby schools. Updates will be provided to Council twice a week via the Council-Manager Memo.

### **Annual Wastewater Report Announced**

*Staff Resource: Barry Gullet, Utilities, 704-391-5070, [bgullet@charlottenc.gov](mailto:bgullet@charlottenc.gov)*

This month, Charlotte-Mecklenburg Utilities customers will receive the **attached (see below, attached as part of this document) bill** insert about how Utilities successfully collected and treated the community's wastewater before recycling it into the environment. Wastewater treatment plants continued their award winning performance as they treated 27 billion gallons of wastewater during fiscal year 2011. There were 335 spills in the community, a decrease of 14 spills compared to the year before. In fact, the number of spills per 100 miles of pipe continued to decline from 10.9 in 2007 to 8.2 spills in fiscal year 2011.

The bill insert and a detailed annual report are posted on [www.cmutilities.com](http://www.cmutilities.com). An advertisement will also be placed in a local Spanish language newspaper as well as on Utilities' website.

### **City Source Tells Stories of Citizen Service**

*Staff Resource: Sherry Bauer, Corporate Communications & Marketing, 704-336-2459, [sbauer@charlottenc.gov](mailto:sbauer@charlottenc.gov)*

*City Source* is the City of Charlotte's unique 30-minute program for citizens to learn about the City's services as well as how its employees serve the community. The program airs the first and third Thursday of each month at 7 p.m. on Cable 16 (Time Warner Cable), AT&T U-verse and is streamed LIVE online at [www.charlottenc.gov](http://www.charlottenc.gov).

The September 1 edition looks at the Commonwealth-Plaza Business Corridor and how it's being revitalized, why there's an increase in recycling throughout Charlotte, kids at Carolina Panther Training Camp, how citizens helped fund several bicycle officers in their neighborhood, and why neighbors are teaming up to help one another prevent code violations. The episode also shows viewers the steps drivers take at Solid Waste Services to ensure safety.

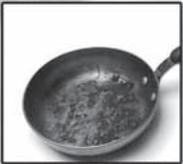
This information is also promoted in CMail, the City's electronic newsletter emailed to more than 1,100 subscribers and distributed by City departments whose services, programs and employees are featured in an upcoming episode. A flyer promoting the upcoming edition is **attached (see below, attached as part of this document)**.

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

July 18 Economic Development Committee Summary

## Prevent Plumbing Repairs and Sewer Spills

These items should **NEVER** go down the drain or be flushed down a toilet:



*Remains in frying pans, turkey fryers or deep fryers*



*Fatty meats, lard, shortening, butter and margarine*



*Oils (olive, cooking, motor)*



*Paper products other than toilet paper (Ex. -paper towel, diaper, mail or regular paper)*



*Prescription medication or over-the-counter drugs*



*Leftover cleaning supplies*

### You Can Help

Dispose of animal fats and grease by freezing them in a coffee can – mix liquefied vegetable fats with kitty litter or coffee grounds – and depositing them in the trash or at a full-service recycling center.

### Suspect A Sewage Spill?

Call 311 or 704-336-7600.

We will respond 24 hours-a-day, 365 days-a-year.

### Want To Read The Full Report?

The entire 2011 Wastewater Performance Report can be obtained at [www.cmutilities.com](http://www.cmutilities.com) or by mail, dial 311.

# Protecting Our Environment



## Wastewater Performance Report 2011

An annual summary of the Charlotte-Mecklenburg Utilities wastewater system performance during the fiscal year that ended June 30, 2011.



Printed with soy ink on FSC certified 50% post-consumer fiber.  
Please recycle this report.

09/11 #30320-I-0138

## Where Does Our Wastewater Go?

Utilities serves Mecklenburg County, providing wastewater services to an estimated 788,000 customers. An average of 75.6 million gallons per day (mgd) of wastewater is collected through a 4,073-mile pipe network. Wastewater flows to one of five wastewater treatment plants located throughout the county. State-certified operators work around the clock to ensure wastewater is safely treated and discharged back into the environment. Solids removed during treatment are also safely recycled as part of a regulated land application program.



## How Did We Do?

We successfully collected and treated 99.9986 percent of the more than 27 billion gallons of wastewater the community produced last year. There were 335 sewer spills in our community, a decrease of 14 spills compared to the year before. In fact, the number of spills per 100 miles of pipe continued to decline from 10.9 in 2007 to 8.2 spills in fiscal year 2011.

## What Are We Doing To Prevent Spills?

Even one wastewater spill is too many. Utilities crews work to prevent overflows by clearing pipes of tree roots and grease, as well as fixing broken and aging pipes. Other construction projects enhance wastewater treatment performance and replace old pipes. Educating customers about the proper disposal of fats, oils and grease is also a priority.

## Highlights

Utilities celebrated important milestones this past year while working to prevent overflows and protect water quality through effective wastewater treatment.

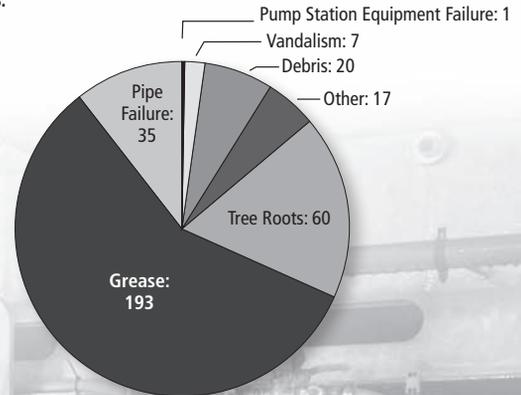
- All five wastewater treatment plants earned Peak Performance Awards from the National Association of Clean Water Agencies (NACWA) for the calendar year ending 2010. NACWA Peak Performance Awards recognize wastewater treatment professionals throughout the nation for protecting the

environment and public health through outstanding treatment and discharge regulatory compliance. The McDowell Creek Wastewater Treatment Plant earned a Platinum Award for a third year, totaling seven consecutive years of perfect compliance. The Mallard Creek Wastewater Treatment Plant received a Platinum Award for six consecutive years of perfect compliance. The McAlpine Creek Wastewater Treatment Plant was awarded its fourth Gold Award in a row for perfect compliance. The Sugar Creek Wastewater Treatment Plant also won a Gold Award for perfect compliance. The Irwin Creek Wastewater Treatment Plant earned Silver Award for five or fewer violations in a one-year period.

- More than 1,013 miles of sewer lines were cleaned (including some multiple cleanings in the same location).
- 12.1 miles of sewer pipe and 774 manholes were rehabilitated, repaired or replaced.
- 293 miles of sewer pipe were treated with tree root control chemicals.
- Informed customers and citizens about proper grease disposal.
- 3,744 food service establishments and restaurants were inspected to ensure proper grease disposal practices were in place.

## Challenges

Grease clogged pipes contributed to more than half of the 335 sewer spills that occurred. Other spill causes included the infiltration of tree roots into pipes, vandalism, general debris, and broken pipes.





**Thursdays at 7:00pm  
on the GOV Channel**

*(Cable 16, Time Warner Cable and AT&TUverse)*

*City Source helps you connect to the government news and information you need. The show offers a unique look at our City services and employees. Here are some of the stories in the next episode...*



**Commonwealth-Plaza  
Business Corridor**

Find out how this neighborhood is being revitalized and who's involved in the process.

**Episode  
Premieres  
September  
1st**



**Recycling Increase**

Charlotte residents are recycling more, we'll tell you why!

**CHA Today—Carolina Panther Training Camp**

Learn about the partnership that helped over a hundred kids go to football camp—Carolina Panther style.



**CMPD Bicycle Officers**

Citizens raised money to help fund bicycle officers in their neighborhood. Find out who did this, and how!

**Code Violations in the Queen City!**

Neighbors are teaming up in a pilot program to look out for one another. We've got the details!



**You can also watch episodes  
LIVE online at [www.charlottenc.gov](http://www.charlottenc.gov).**



Click on icons to access social media.



## COMMITTEE AGENDA TOPICS

- I. Subject: Consideration of Mosaic Village Public/Private Partnership**  
Action: Receive update from staff and the development team on progress towards proposed project and City participation, and make a recommendation to City Council for action at their July 25<sup>th</sup> Council Meeting.
- II. Subject: CRVA June & July Barometer Reports– Information only**

## COMMITTEE INFORMATION

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

## ATTACHMENTS

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1. Mosaic Village Presentation
2. CRVA June & July Barometer Reports

## DISCUSSION HIGHLIGHTS

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Chairman Mitchell:

Thank you all for joining us for the E.D. Committee meeting. There is one distinguished gentlemen here I would like to introduce, my good friend Parks Helms. Parks are there any comments that you would like to make?

Helms: I'm just delighted to be here. One of the things about coming and representing the Griffin Brothers is that I stayed in the political arena so long that people were beginning to think that I was a politician. But I am a lawyer, a lawyer here on behalf of my clients Griffin Brothers and I hope that you will receive their request favorably and move it on.

Mitchell: Thank you, Parks. Committee we have only three items on the agenda; Councilmember Burgess is in route. We have Mosaic Village, the CRVA report and then the next meeting time schedule. So without further do, I will turn it over to Mr. Kimble to introduce our first agenda item.

Kimble: Thank you Mr. Mitchell and members of the Committee. We are pleased today to present a staff recommendation on the consideration of the Mosaic Village public/private partnership. Peter Zeiler will be making the presentation today supported by Pat Mumford and myself. Bob Hagemann has worked quite a bit on this. We have had a great interaction with the team from Griffin Brothers and from Johnson C. Smith University (J.C.S.U.). We have put this together at breakneck speed. It's been pretty feverous in the last few weeks. I think we are at a good spot. The numbers are tested and still being

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tested, but I think what you will see today is the maximum number of what we will have. We are still validating and verifying all the numbers that we have. We feel real good about the place where we have landed in terms of a recommended public/partnership opportunity for the City of Charlotte. Rather than steal any of Peter's thunder, I will let him go through the presentation. We are asking for a Committee recommendation today. There were a lot of desires to want to do this in June; we needed to have this amount of time for City staff working with the private sector and J.C.S.U. to bring it to this stage. We need to really get going because what they want to do is make sure that the new student apartments are open for business in September of 2012, and if they are going to meet that particular timeframe, action by the Council will be required by next Monday night. Whatever that action is that the Council will take on July 25<sup>th</sup>, they need an answer to know whether or not they are going to be able to go forward with this project.

Mitchell: Ron, thank you for the background. I wanted the Committee to be aware of the time schedule.

Zeiler: As Mr. Kimble was saying, this item was referred to you at the E.D. Committee in May 2011. At that meeting, J.C.S.U. and the Griffin Brothers Company made a presentation about their overall strategic plan for the Mosaic Village site. You received a further presentation on June 6<sup>th</sup> of this year and the E.D. Committee directed us to develop a framework for financial presentation. Today, we are here to ask for your consideration and participation in Mosaic Village. This is a great public/ private partnership opportunity; the project consists of two phases. Phase I is an 80 unit student residence with 301 beds, 6800 square feet of retail and 403 space parking deck. Phase I-A which is also on the same site, will consist of a 45,500 square foot classroom arts learning space and university office space. It is a significant new investment on the West Trade Street corridor, totaling \$29,100,000. This is the sort of project that has been identified in our recent Urban Land Institute (ULI) West Trade Street Study. These are the sorts of projects and investment that the ULI recommended that the City take a participation role in stimulating redevelopment along the West Trade Street corridor. Just as a refresher, this is the site plan (*PowerPoint Page 2*) of the project. You will notice on the left side in yellow is the Arts Learning Facility. The gray is the parking deck, the brown is the retail, and what you see over on the far right hand side is the first floor of the residential. This is the first floor plan. If we were to go up to the fourth floor, you would see that the residential wraps around and bridges over top of the retail. On the upper floor of the parking deck, you would see an event space with green space and facilities for catering and holding public events. This is a street level view of the project (*PowerPoint Page 4*) this is the northwest corner looking at the residences and you can see from this view that the parking is screened from view and behind the Trade Street corridor. The project is going to be developed by the Griffin Brothers Company in partnership J.C.S.U. Residences and classrooms/arts learning space is financed and constructed by Griffin Brothers and leased by J.C.S.U. on a 25-year lease. The retail and parking deck are going to be built managed, operated, and maintained and repaired by Griffin Brothers Properties. The parking deck is the only component out of the notable to be fully financed through traditional deck financing system. At this point, there is no revenue available to do any decorative on the deck. In the 403 space deck proposed (*PowerPoint Page 4*); there are 180 spaces required by code for Mosaic Village development; 223 additional spaces not required, available for the public with an estimated construction cost of \$5,450,000 for the parking deck. A parking study done by Rich & Associates confirms the 180 space Mosaic Village demand and indicates unknown future demand for the remaining 223 spaces that are not required by code. The deck includes a rooftop events facility and green space. This rooftop construction is not included in the per space cost allocation to the City. Any

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- of those costs are allocated over to the remaining 180 spaces that are part of the Griffin Brothers project. So the request in front of you today is for the City to participate in construction cost of the 223 public parking spaces in the parking deck. The deck can be used to support future development in the West Trade Street corridor. As we look at other projects being built on proximate parcels, they could use some of these parking spaces for overflow parking. J.C.S.U. can use the spaces for event parking. There is the potential that neighboring development would be able through the Griffin Brothers to purchase some of the public spaces from the City and use that to meet their required zoning parking spaces.
- Kinsey: Go over that again. What is the City paying for if we go through with this? What are we going to get?
- Zeiler: We are going to get 223 public parking spaces.
- Kinsey: 24/7/365?
- Zeiler: Yes.
- Kinsey: Did I hear you say that others can buy the spaces from the City? Developers can do that?
- Zeiler: One of the potentials here, there is a potential for development. If a developer is developing a parcel next to this development, they would be able through code if they so desired, purchase parking spaces for their permanent use from the City.
- Kinsey: From the City?
- Zeiler: It would go through the Griffin Brothers because they are building and constructing the deck. Griffin Brothers could buy those spaces from the City and then that developer could buy it. This would allow the developer to have all their parking inside the deck instead of having to use some of their parcel for their parking.
- Kinsey: Those spaces would be sold the same way that we paid for them initially? In other words, the City could recoup some of its investment?
- Zeiler: Yes. We have a formula that we have worked through on how we could equitably do that.
- Kimble: There is a 30-year amortization chart, so as long as they remain public and their cost each year, they come down in value as you would have gotten one year's worth of public use of it.
- Zeiler: So by Statute, the City can participate in public Right-of-Way infrastructure design and construction and by provision of public parking spaces. The proposed City financial participation that we have been working on with Griffin Brothers totals \$3,183,000. That includes \$182,000 in public Right-of-Way infrastructure such as street paving, sidewalk and plantings, street and pedestrian lighting, all of which would be on public Right-of-Way and required under the Pedestrian Overlay Zoning. The second element would be \$3,001,000 in public parking space construction of 223 spaces at \$13,460 per space. The proposed source of funding for this is out of the Business Corridor Revitalization Fund. The current balance in the fund is \$17,400,000 and the leverage on these dollars would be at a ratio of 9:1 which is \$9.00 of private for every \$1.00 of public investment.
- Mitchell: Is that a good ratio? What is the average ratio?
- Zeiler: The target that has been established by Council is a 10:1 leverage so we are very close to that.
- Mumford: The leverage ratio that you established in the Focus Area Plan was not just specific to that site. So if other projects become viable because of this additional parking, we would think that we could count those dollars into the leverage calculation.
- Kinsey: The cost is \$13,460 per space. Is that the going rate right now or did we take the money that was needed and divide by the number of spaces?
- Zeiler: That is about the regional average for above grade parking deck construction.
- Kinsey: What is the regional average?
- Zeiler: It is right around \$13,400 or \$13,500 I believe.

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- Kinsey: You know that I am going to check that out.
- Zeiler: Yes. Carl Walker & Associates release number charts about every quarter and that \$13,000 is in a ball park with the regional average.
- Mumford: We did not back into this number based on the need; we took the actual estimate of the parking garage and divided that by the actual spaces which are the 223. So it was mathematically derived not back ended.
- Burgess: What is the total cost of the entire structure inclusive of the spaces and the roof top event facility?
- Zeiler: That is the \$5,450,000 that we looked at in the beginning of this presentation.
- Kimble: Plus there was \$700,000 and the roof top space is in that number.
- Burgess: Who owns the roof top space? It sounds like that the City is paying for 55% of it.
- Kimble: We backed it out.
- Burgess: You backed it out?
- Mumford: The value attributed to the roof top is about \$700,000; we pulled that out, netted that out before we did our calculation per space.
- Burgess: So the \$5,450,000; the real cost is actually \$700,000 more?
- Mumford: If you deduct \$700,000 from that and divide by 223 spaces; that will get you to the \$13,450. The public money is going for public parking not for anything else. We didn't believe that it was appropriate to have the dollars associated with the roof top amenity in that calculation.
- Burgess: O.K.
- Zeiler: Some of the major deal points that we have been discussing with Griffin Brothers are that the public parking will be available to the general public and would either be free or at commercially reasonable rates.
- Kinsey: Who get the fees from the parking deck? The public parking is at a reasonable rate. Who gets that money?
- Zeiler: That money would go the Griffin Brothers to offset operating costs for the deck.
- Kinsey: So there probably will be a charge for parking?
- Zeiler: At this point, there probably will not be a charge for the parking. The parking study showed that there was a nominal, if any, market for charged parking here. Someday in the future if there is the ability to charge for the parking that money will be collected by the Griffin Brothers and be used to offset their operating costs.
- Kimble: Simply put our money is buying the availability of public parking. We don't own the parking; we don't maintain it and we don't manage it. We have no costs. Ours is a gap financing a public/partnership opportunity and participation in the project. It is all privately owned, run, managed paid for and maintained. We are simply gap financing with a covenant and a dedicated 24/7 public available parking deck with 223 parking spaces.
- Mitchell: Comparing it to the other parking decks that we have; I know we did the Grubb and Metropolitan.
- Kimble: Each one of them has different nuances, but they are all pretty much for the same thing. You get a Westin deal where you actually own 500 spaces in the parking deck of the Westin Hotel. In the Elizabeth Avenue deal, that is a public/private partnership. If they reach certain levels of private investment, then we would be required to purchase condoed-out parking spaces in up to four different decks in the Elizabeth Avenue project. The Metropolitan was a true gap financing; it was an Economic Development grant using TIF, Synthetic Tax Increment Financing, really to provide parking for retail. The Levine project, Peter you are probably closer to talk about the parking on that.
- Burgess: How many parking spaces did the Levine get?
- Zeiler: The City is taking 25% of the total parking spaces; I believe that there are 1,300, 25% of those are going to be public parking for daily transit hourly use. The remainder, the 75%

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are available for monthly contract parking there. That monthly contract parking is Monday through Friday 6:00am to 6:00pm so those remaining 75% spaces become available for event parking, weekend parking and overnight parking.

Kimble: We contributed \$4,000,000 to the NASCAR Hall of Fame parking deck; the City contributed \$2,500,000 and the banks contributed \$1,500,000 for that \$4,000,000 investment. We have access to additional parking spaces on the weekends and after hour parking. Each deal is structured a little bit differently, but in the end, it is really access for public parking and public participation.

Zeiler: So the major agreement deal points include the discussion we just had about public parking spaces being available to the general public either free or at commercially reasonable rates. The Griffin Brothers are going to assume all costs and revenues associated with the management, operations, maintenance and repair of the parking deck. The City will reimburse public parking space construction costs after a Certificate of Occupancy for the parking deck is issued. If required, Griffin Brothers will be able to purchase public parking spaces as required for future development as we discussed earlier. One element we did not get on to the slide was a discussion around our SBE goal; Griffin

Brothers have already been working with their project managers Shelco and Balfour Beatty and have established a 9% overall SBE goal for the residences, retail and the parking deck. We have drafted the necessary agreements and we are in the process of finalizing some specific deal points to go in and fill in the blanks on what the actual numbers on the formulas are. There are three agreements that will govern this deal. One is the public parking deck that governs the deck operations and investment terms. Declaration concerning public parking; this establishes public uses for the City to be able to invest in those public spaces. We have to make a declaration that there is an actual public use for the parking then you will have the infrastructure reimbursement agreement which governs design and construction of public Right-of-Way infrastructure improvements reimbursed by the City. For example, at the EpiCenter where we paid for landscaping improvements and streetscape improvements. The consideration today is a recommendation by the E.D. Committee to move forward and recommend placing this on the July 25<sup>th</sup> Council Agenda; that is next week's meeting. We know that this is a little close and tight but as Ron was saying earlier, this has been a fast tract project to maintain a construction schedule that allows J.C.S.U. to have students move in closer to the campus starting in the upcoming 2012 academic year.

Dulin: You want the student housing opened by September of 2012? Do they plan to have those open then rent those units out to the Democratic National Convention (DNC), participants before they let the students move in? Is there a plan to use that for the DNC participants for housing?

Graham: Malcolm Graham Special Assistant to the President at J.C.S.U. One of the things Councilman Dulin is concerned about is whether or not we are going to delay the opening of school in 2012 for the DNC. We have been having some preliminary discussions in reference not only to the new residents, but the older residences in terms of housing for the security forces. There is a strong possibility that we will delay the opening of school until the DNC has come and gone.

Dulin: In that case, these units would be rentable to DNC participants?

Graham: That is a possibility and we will definitely talk to that.

Dulin: Is there any possibility that the City could participate in that income?

Kimble: We are on the deck; we are not on the housing.

Dulin: Will the parking deck spaces be sized for full size cars? I understand that we have to be permitted properly. Will the City have something to say? I would be upset if I go over

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- there and find 223 compact car spaces.
- Zeiler: I am presuming that will all be governed through the building permits.
- Dulin: Do we have confirmation through the Planning Department that these are full size spaces?
- Williams: They will be full size spaces.
- Dulin: Every lot has ten in the front for handicap and ten for compact. These housing, we have 223 spaces. How many are going to be designated for the housing units?
- Zeiler: There will be 80 spaces for the 80 residential units.
- Dulin: And they are different from this 223 or combined with the 223?
- Zeiler: Griffin Brothers will have 180 spaces. There are 180 spaces that will satisfy their code requirements in advance of demand requirements for the student residential population. The retail portion and the office tower will come on later.
- Kimble: The 180 that is up here; there are 80 for the residence, 76 for the classroom workspace and 24 for the retail.
- Dulin: To me that is not enough for the retail and for somebody that will have to go in there and rent space.
- Kimble: That is by code and then the public spaces are available for general public use and could be for overflow for the retail, for example, but they will have to have the code requirement for spaces allocated.
- Dulin: For purposes of conversation, if we are wildly successful and I hope we are, can we capture the top deck the green space for parking in the future?
- Williams: No.
- Dulin: So 223 outside the 80 that we are designated, other spaces would then be available to J.C.S.U. students for student parking?
- Kimble: They are available for general public parking. They can't be cordoned off and they can't be allocated differently; it's first come first serve public parking spaces.
- Dulin: I am concerned that the retail guy is going to be squeezed out and no one is going to rent the retail space and they will be empty. So there will be signs that say that this space is for Johnny Rocket.
- Kimble: I think that there is a clause in the agreement that says the types of retail that go into those spaces but the ones that we are talking about now will require by code 24 spaces. But yes there is different retail that can go in. For instance, a restaurant that requires more spaces then there is a clause in the agreement that causes the Griffin Brothers to access more parking. Therefore, our 223 would be compressed somewhat. That clause is based on the type of business that went into the space.
- Mumford: They would be buying those back.
- Dulin: It's nice to do an apartment building and a parking deck but retail is where the jobs are and empty storefronts create zero dollars. One Subway shop equals ten jobs. I want to make sure that we don't run those folks off; those are college kids jobs.
- Kinsey: I can see where the students will come in and take those parking places. If the students take them maybe there won't be a need at first, but what later when there is a need for more spaces.
- Graham: We anticipate that most of our students probably will park on campus; it's a lot more convenient. We have invested \$50,000 for the Gold Rush Trolley which comes on campus and stops right in front of Mosaic Village. We believe that many of the students will ride the Gold Rush to and from campus. We don't anticipate that our students will park in the deck to come to school; there are ample spaces for student parking on campus.
- Kinsey: If it becomes a problem how will you resolve it?
- Graham: That is a hypothetical. We have invested in the Gold Rush and secondly we do have ample student parking on campus as we speak and spaces are available. Again, I don't anticipate that that would be a problem. In fact, the 80 spaces that we have there we

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- believe that most of the students will walk or take the Gold Rush to the short distance to campus.
- Dulin: It would not be unlike college kids to park there and take the Gold Rush ride for two blocks. We had a nice City Council dinner there last week and I walked back up the hill but a lot of people waited on the ride. Signage for the public parking spaces; there is going to be signage for Subway or whoever for the retail. If the public pays then J.C.S.U. students and retail customers need to pay too.
- Kimble: Are you talking about the 223 free parking spaces or are you talking about the other parking spaces? Those will be allocated to the student apartments on a separate lease agreement between J.C.S.U. and the Griffin Brothers.
- Dulin: Right. But our 223 spaces, if the public pays, then I think it's fair that J.C.S.U. pays too.
- Kimble: If one gets charged than all get charged. I think it would be very difficult not to do it that way.
- Dulin: The infrastructure that we are paying for and its fine with me if we clean that whole thing up with club gutter and sidewalks would be just great. In what section are you planning to redo the road? To me, I would like to bump it all the way down the hill as far as you can and just clean it up and make it all nice.
- Zeiler: The proposed infrastructure would start to left of the J.C.S.U. arts facility where you see that curve coming in toward uptown and would wrap all along that side of Trade Street up to Bruns Avenue. It goes along Bruns Avenue to Duckworth and down Duckworth to where we are wrapping the site on that side of the street.
- Dulin: When Griffin Brothers went through and redid the old Griffin Brothers building that we visited, and by the way, that is a nice site there. Was the sidewalk redone there in front of the building?
- Griffin: Mike Griffin with Griffin Brothers Company. Thank you Mr. Chairman and Committee Members for your time and patience. Yes, in answer to your question, there were improvements done. In fact, pretty significant improvements done in the front of the Arts Factory where our old parking lot was before. There are new benches with landscaping and grass. The improvements on the City-owned sidewalks, I really can't remember. I want to say that probably were some improvements to that too.
- Dulin: Thank you.
- Graham: My best memory says that there were improvements made and after construction we went back and widen it more for cars.
- Dulin: I drove by the area ten days ago and can't remember.
- Griffin: If I could make one added comment about the retail and the concern about being sure that they are not choked by a deficiency on parking. We are keenly aware of that; we are on time for retail so we are going to make sure that we put the right tenants in there that thrive and survive. To the point that if I knew that the retail tenant needed more than the required space, we will buy back the appropriate space to make sure they thrive.
- Dulin: I am ready to make a motion if you want one.
- Kinsey: What is the expected from that tax base, do you know that?
- Kimble: If it is a \$29,000,000 investment of say page 1, page 1-A at .43 per \$100.00 accessed evaluation; I don't have that exact total number.
- Kinsey: Well I should have said how much more will this bring in over their increased tax base?
- Mumford: We can calculate that but we don't know their current tax rate.
- Griffin: It's at \$100,000.
- Kimble: So if that is a \$100,000 in property tax for us that means a couple \$100,000 in property taxes for the County.
- Mumford: We will calculate it and get it to you.
- Kinsey: Just curious, just wanted a little information.

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Economic Development Committee  
Meeting Summary for July 18, 2011  
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Mitchell: Andy, would you like to make a motion?  
Dulin: Yes sir.  
Mitchell: There has been a motion made. Is there a second?  
Burgess: Seconded.  
Mitchell: All those in favor say aye. Opposed? The ayes have it.

*VOTE: Make a recommendation to the full Council for their July 25<sup>th</sup> Agenda to:*

- 1) Approve the Mosaic Village Public Parking Agreement with Mosaic Village, Inc. pursuant to which the City will pay \$3,001,134 for the provision of 223 public parking spaces for 30 years within a 403 space parking deck in Mosaic Village*
- 2) Approve the Declaration Concerning Public Parking to establish the public use of the spaces in the Mosaic Village Deck,*
- 3) Approve the Infrastructure Reimbursement Agreement with Mosaic Village, Inc. for the construction of public right of way improvements related to the Mosaic Village project in an amount not to exceed \$181,860, and*
- 4) Authorize the City Manager to negotiate and execute any further ancillary documents or non-material changes to the agreements as may be necessary*

*Dulin made the motion and Burgess seconded. The vote was unanimous with Cannon absent.*

Mitchell: Thank you Committee. Thank you to Darrel Williams for championing this; it has been a five-year project. Thanks also to Johnson C. Smith University, Senator Malcolm Graham and the Griffin Brothers. UNCC came down on a public/private partnership and now J.C.S.U. I guess the next will be Queens so we will be looking to do a deal with Queens University.

Helms: I can't leave this meeting without expressing my appreciation to all of you; this project is not just about building a parking deck. I think you all know that what you are seeing here is a catalyst that will create a corridor from the I-77 underpass all the way to J.C.S.U. that we can all be proud of and I think that is something that this Committee can take great pride in. Thank you again.

Graham: One thing that I miss not being here is the staff and the dedication. I just wanted to take my hat off to them; you have excellent public servants working on behalf of the citizens.

Mitchell: One thing that I would like to add. It would be good for the Committee not to stop here. We have five corridors that we are passionate about developing; this is the first one, but we still have Central Avenue, North Tryon, Rozzelles Ferry, Freedom Drive, and Wilkinson. So let's continue to move forward; it will be a great story for us if we can say that we have developed a project in each corridor.

Graham: Just to touch back on what Mr. Helms said this morning. There was a piece of property that was purchased last year and they have cleared the lot so something is going to happen there right across the street from BoJangles. There was 1.5 acres that was cleared this morning so again the arts light projects at the I-77 bridge that is going to be completed in December of this year. Clearing off that lot today shows that development is going in there. Mosaic Village and the University bookstore shows there is momentum on West Trade Street and we thank the Council for their support.

Mitchell: Thank you staff, thank you everyone. Item two is an information report from CRVA.

**Subject: CRVA June and July Barometer Reports**

Mitchell: This report is for information only. Are there any questions?

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Economic Development Committee  
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**Subject: Next Meeting Date**

Mitchell: The next meeting is August 11<sup>th</sup>. Are we all here on August 11<sup>th</sup>?

Burgess: I am out of town.

Kimble: It is up to you; we have two items on that scheduled date. If you want to go forward without Dr. Burgess, that will be up to you. There are two items Business Investment Program Revisions and the Ballantyne Area Infrastructure Synthetic TIF Grant. Ballantyne is also challenging in terms of the model that we would use. We researched a lot of different models and one of them is rising to the top. Something similar to the Levine Center for the Arts and the Wachovia Arts Campus project where there are guarantees on the backside by the developer. I just wanted you to know that we are still working through that one. There is a public hearing tonight. It will move toward some conclusion in September and we will need to have a decision on it.

Mitchell: Let me just say good doctor; I hope you don't mind if we move forward on that one.

Kinsey: My main concern is the public. Its public money, got to use it for public purposes. I still have concerns about First Ward because they came back for more money later. I am fairly consistent about public money being used for the public.

Kimble: And we are likewise and this is a good time to tell you that a lot of these public/private deals that you inked in the past because of economic times are probably coming back to you for a revisit because they are very difficult to accomplish in these economic times. City Park, Elizabeth Avenue and Levine; all these are likely to come back to you. You did public purpose the first time around so if there any tweaks to the deals, then it still has to be public purpose first and foremost.

Mitchell: It is difficult for most of us to remember our contributions to public projects so it would be great to have a one page reminder. It was Midtown that gave me a tough time. On one hand, its gap financing and on the other hand, we have to be good stewards. So on the one page here is the parking deck project, here is the space and here is the cost that we put in. To me, it's just information.

Kimble: Each one is just a little bit different from the other.

Dulin: I read in the paper this morning that the City of Raleigh is getting ready to approve mobile food vendors. Did anybody from Raleigh contact us? So good luck to them that is all that I wanted to say. You know we have a bunch of them we can run up there.

Kimble: You can see your referral pending in the future. We have one more month; it's coming to Council next Monday night for a briefing and then to Committee after the full Council hears the initial briefing.

Mitchell: Staff, if you don't mind, please give us an update on the web portal, just information for a 90-day window. I am curious to see the activity going to the web portal because we made a nice investment. Committee thank you we are adjourned.

Adjourned: 4:20p.m.

**Economic Development Council Committee**  
Monday, July 18, 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

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**AGENDA**

- I. **CONSIDERATION of MOSAIC VILLAGE PUBLIC/PRIVATE PARTNERSHIP – 60 minutes**  
*Staff: Ron Kimble, City Manager's Office*  
Action: Receive update from staff and the development team on progress towards proposed project and City participation, and make a recommendation to City Council for action at their July 25<sup>th</sup> Council Meeting. **Attachments**
- II. **CRVA June & July Barometer Reports – Information Only (Attachments)**
- III. **NEXT MEETING DATE: Thursday, August 11, 2011 at 3:30pm, Room 280**  
Possible Topics: Business Investment Program Revisions  
Ballantyne Area Infrastructure Synthetic TIF Grant

**Future topics & tentative schedule:**

- Mobile Food Vendors (September 8)
- Disparity Study\* (September 8)
- Business Corridor Revitalization Strategy Update (September 22)
- Entrepreneur Strategy/Policy (September 22)
- Joint meeting of with County ED Committees (October)
  - Business Investment Program Revisions
  - Amateur Sports

\*needs referral on August 22

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



  
CHARLOTTE.  
NEIGHBORHOOD & BUSINESS  
SERVICES

## Mosaic Village

Economic Development Committee

July 18, 2011

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 CITY OF CHARLOTTE

## Mosaic Village

- Item referred to ED Committee in May 2011
- ED Committee received presentation on June 6, 2011
  - ED Committee directed staff to develop a framework for financial participation
- ED Committee to discuss the proposed framework / draft agreements and make recommendation to full Council

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## Mosaic Village

- This is a public/private partnership opportunity
- Project consists of:
  - Phase 1
    - 80 unit student residence with 301 beds
    - 6,800 square feet of retail
    - 403 space parking deck
  - Phase 1A
    - 45,500 square feet of classroom / arts learning space
- Project represents significant new investment in West Trade Street Corridor with a total cost of \$29.1M
- Project supports Urban Land Institute West Trade Street study

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## Mosaic Village



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- Project to be developed by Griffin Brothers in partnership with Johnson C. Smith University (JCSU)
- Residences and classroom/arts learning space built by Griffin and leased by JCSU (25 years)
- Retail and parking deck managed, operated, maintained and repaired by Griffin Brothers
- Parking deck is the only component not able to be fully financed through traditional means

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## Mosaic Village

- 403 space deck proposed:
  - 180 spaces required by code for Mosaic Village development
  - 223 additional spaces not required, available for public use
  - \$5,450,000 construction cost
- Parking study confirms 180 space Mosaic Village demand and indicates unknown future demand for the remaining 223 spaces
- Deck includes rooftop events facility and green space
  - Cost not included in per space cost allocation to City

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## Mosaic Village

- Request for City to participate in construction cost of 223 spaces in parking deck
- Deck can be used to support future development in West Trade Corridor
- By statute, the City can participate in:
  - Public right of way infrastructure design and construction
  - Provision of public parking spaces

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## Mosaic Village

### Proposed City financial participation:

- Total: \$3,183,000
- \$182,000 in public right of way infrastructure
  - Street paving
  - Sidewalk and plantings
  - Street and pedestrian lighting
- \$3,001,000 in public parking space construction
  - 223 spaces at \$13,460 per space
- Source of public funding: Business Corridor Revitalization Fund
  - Currently has \$17.4 million balance
  - Leverage ratio of 9:1

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## Mosaic Village

### Major agreement deal points:

- Public parking spaces available to the general public either for free or at commercially reasonable rates
- Griffin Brothers assumes all costs and revenues associated with the management, operations, maintenance and repair of the parking deck
- City reimburses public parking space construction costs after certificate of occupancy for the parking deck is issued
- If required, Griffin Brothers able to purchase public parking spaces as required for future development

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## Necessary Agreements drafted

- Public Parking Agreement
  - Governs deck operations and investment terms
- Declaration Concerning Public Parking
  - Establishes public use
- Infrastructure Reimbursement Agreement
  - Governs design and construction of public right of way infrastructure improvements reimbursed by City

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## Next steps:

- Recommendation by ED Committee
- Consideration by City Council on July 25

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## MOSAIC VILLAGE

### PUBLIC PARKING AGREEMENT

THIS PUBLIC PARKING AGREEMENT (the "*Agreement*") is made and entered into as of the \_\_\_ day of \_\_\_\_\_, 2011, by and among \_\_\_\_\_, a North Carolina corporation ("*Developer*") and the CITY OF CHARLOTTE, a North Carolina municipal corporation ("*City*").

#### W I T N E S S E T H:

Developer intends to cause the development, construction, operation and maintenance of a parking deck as part of a mixed use development located on West Trade Street between Bruns Avenue and Auten Street (the "**Parking Deck**"). To serve the West Trade Street corridor and to support additional private investment and development, the City desires that the Developer provide \_\_\_ parking spaces as Public Parking in the Parking Deck, subject to the covenants set forth herein. In consideration thereof, the City will pay to Developer in accordance with the terms of this Agreement the amount of \$\_\_\_\_\_. In connection with the foregoing, the Parties desire to enter into this Agreement to provide for the use, operation and maintenance of the Parking Deck upon construction of the same.

NOW, THEREFORE, in consideration of the foregoing, and of the covenants, conditions and agreements as hereinafter set forth, IT IS AGREED as follows:

#### **SECTION 1** **DEFINITIONS**

**1.1 Defined Terms.** Capitalized terms used in this Agreement shall have the meanings ascribed to such terms (a) on Exhibit A attached hereto and incorporated herein by this reference or (b) elsewhere in this Agreement.

#### **SECTION 2** **PUBLIC PARKING COVENANT**

##### **2.1 Parking Covenant.**

(a) For purposes of this Agreement, the following terms shall have the definitions set forth below:

(1) "**Public Parking**" shall mean that the Public Parking Spaces shall be available to the general public either for free or at commercially reasonable rates.

(3) "**Public Parking Spaces**" shall mean \_\_\_ parking spaces in the aggregate within the Parking Deck which shall be available for Public Parking.

(b) The Public Parking Spaces within the Parking Deck shall be dedicated to Public Parking for a period of thirty (30) years from and after the Opening Date (the "**Term**").

**SECTION 3**  
**OPERATIONS AND MAINTENANCE**

**3.1 Operating Standards.**

(a) Except as otherwise expressly set forth herein, from and after the Opening Date, Operator shall manage, operate, maintain and repair the Parking Deck in good order, condition and repair. Such management, operation, maintenance and repair shall be at the sole cost and expense of the Owner.

(b) Without limiting the generality of the foregoing, Operator shall maintain, repair and operate the Parking Deck in accordance with the practices generally prevailing in the operation of first-class, structured urban parking decks located in the City of Charlotte, and shall at all times observe and perform the following standards and services as frequently as reasonably required for the Parking Deck to satisfy such standard of operation and remain in good order, condition and repair: (i) clean and maintain all garage surfaces and keep such surfaces in good condition, reasonable wear and tear excepted; (ii) remove all papers, debris, filth and refuse from the Parking Deck and periodically wash or thoroughly sweep paved areas; (iii) regularly remove trash from trash receptacles and clean trash receptacles; (iv) clean, maintain, repair and replace entrance, exit and directional signs, traffic control signage, markers and lights into and within the Parking Deck; (v) clean lighting fixtures and replace broken light bulbs; (vi) maintain, repair and replace striping and curbing; (vii) maintain and replace as necessary the existing landscaping surrounding the Parking Deck; (viii) maintain and repair the structure of the Parking Deck; (ix) repaint and refinish all painted and finished surfaces; (x) clean, maintain and repair all stairs, stairwells and stairwell doors within the Parking Deck; (xi) clean, maintain, repair and operate all elevators within the Parking Deck; (xii) maintain, repair and replace, if needed, all mechanical, electrical and utility facilities and systems that are a part of or serve the Parking Deck or any portion of it, including, without limitation, sprinkler and fire control systems, parking revenue control equipment, parking access control equipment, security systems and equipment, mechanical venting systems, lighting and emergency lighting systems, rollup doors and traffic barriers; (xiii) except to the extent maintained by a utility company or that the same constitute private utility lines with respect to overlying improvements, maintain the utility lines which are located within the Parking Deck; (xiv) obtain public liability insurance or self-insure against the risks which would be covered by such insurance in accordance with the terms of this Agreement; and (xv) enforce standard rules and regulations adopted pursuant to Section 3.4.

**3.2 Alterations.** The Owner shall have the right during the Term, at its sole expense, to do any of the following so long as the operation, utility, use and appearance of the Parking Deck is not materially and adversely affected and there is no net loss of Public Parking Spaces: (i) make any addition to or improvements to the Parking Deck, (ii) attach fixtures and directional or informational signage or equipment to structures within the Parking Deck in accordance with Applicable Laws, (iii) place any personal property within the Parking Deck, or (iv) make, with the City's prior written approval which approval shall not be unreasonably withheld, any reasonable additions or improvements to the Parking Deck at Owner's sole cost and expense provided Owner has provided the City reasonable advance notice of the same to the extent that such additions or improvements will cause the temporary loss of Public Parking Spaces or access thereto.

**3.3 Signage.** Operator may install within the Parking Deck information signage regarding routes to nearby streets, the location within the Project of specified improvements or occupants, tenant directory information and signage identifying the Developer's Project. In addition, Developer shall have the right to install signage on the exterior of or adjacent to the Parking Deck indicating the availability of parking spaces for the Project, the University and/or the general public, in accordance with Applicable Laws.

**3.4 Rules and Regulations.** Operator may establish and enforce general policies, rules and regulations for the repair, management, maintenance, operation and use of the Parking Deck (the “**Rules and Regulations**”) which shall be consistent with the provisions of this Agreement. The initial Rules and Regulations are attached hereto as Exhibit B and incorporated herein by this reference. The Rules and Regulations shall be subject to change from time to time by Operator provided such change is commercially reasonable.

**SECTION 4**  
**DAMAGE OR DESTRUCTION; CONDEMNATION**

**4.1 Damage or Destruction; Condemnation.** In the event any material portion of the Parking Deck is either damaged by fire or other casualty or condemned or threatened to be condemned, Developer shall cause Operator:

- (a) To give prompt written notice thereof to the City; and
- (b) In connection with damage by fire or other casualty, promptly to apply for all insurance proceeds payable in connection with any such damage; and
- (c) To prosecute and negotiate for payment of such insurance claim or condemnation award, employing legal counsel if necessary for such purposes; and
- (d) To cause the Parking Deck so damaged or the portion thereof not-condemned to be repaired and restored as nearly as practicable to the condition existing immediately prior to such damage or condemnation, subject to Applicable Laws and to the availability, sufficiency and receipt of any applicable insurance proceeds or condemnation award, so long as:
  - (1) with respect to either a casualty or a condemnation, (i) the remaining term of this Agreement is ten (10) years or more, or, (ii) if the remaining term of this Agreement is between five (5) and ten (10) years, the estimated cost to repair or restore the Parking Deck does not exceed Five Hundred Thousand and No/100 Dollars (\$500,000.00), including but not limited to lost parking rents (as determined by an MAI certified appraiser licensed to do business in the state in North Carolina and selected by Developer), and
  - (2) with respect to a condemnation, the resulting configuration of the Parking Deck does not (i) prohibit, as a matter of Applicable Law, the rebuilding or repair of the Parking Deck substantially as it existed prior to the condemnation, or (ii) prevent access to the Property from a publicly dedicated street, or (iii) render the Parking Deck a non-conforming use pursuant to the Grant Agreement or any applicable zoning, building or other similar laws, codes or ordinances, including without limitation the parking spaces required hereunder.
- (e) In the event the term of this Agreement has five (5) years or less remaining or the contingencies of (d)(1) above have not been met, Developer may, at its sole discretion, (1) cause the Parking Deck so damaged or such portion of the Parking Deck as remains not condemned to be repaired and restored as nearly as practicable to the condition existing immediately prior to such damage or destruction, subject to Section 4.1(d)(2) above and the availability and sufficiency of any applicable insurance proceeds or condemnation award, or (2) retain any such insurance proceeds or condemnation award and terminate this Agreement by written notice to the City, whereupon Developer may thereafter use the property on which the Parking Deck is situated for any lawful purpose under applicable zoning and building codes then in effect and applicable to such Parking Deck.

**SECTION 5**  
**INSURANCE; INDEMNIFICATION**

**5.1 Insurance.** Operator shall furnish to the City from time to time upon request, a Certificate of Insurance showing coverage for:

(a) Special or “all risk” insurance (including theft, vandalism, boiler and pressure vessel coverage), in amounts not less than eighty percent (80%) of the reconstruction cost of the Parking Deck;

(b) Comprehensive general liability insurance insuring the Owner against any and all liability for injury to or death of a person or persons and for damage to property in any way occasioned by or arising out of the activities of Operator, Owner, Developer, and their respective agents, contractors or employees, in connection with the operation of the Parking Deck for property damage and for bodily injury or death of persons, in commercially reasonable amounts; and

(c) Workers’ compensation insurance as required by applicable laws.

**5.2 Policy Requirements.** The following general requirements shall apply to all insurance coverage carried by Owner and/or Operator:

(a) Such policies shall be with reputable insurance companies reasonably acceptable to the City and licensed to do business in the State of North Carolina and shall name the City as an additional insured, as its interests may appear;

(b) Operator shall provide the City with policies or certificates of insurance evidencing such coverage as of or prior to the Opening Date of the Parking Deck;

(c) Within thirty (30) days prior to expiration of coverage, or as soon as practicable, renewal policies or certificates of insurance evidencing renewal and payment of premium shall be provided by Operator to the City; and

(d) The policies must be non-cancelable unless the carrier provides to the City thirty (30) days’ prior written notice of cancellation.

**5.3 Indemnification.**

(a) To the fullest extent permitted or not prohibited by law, each Owner shall defend, indemnify and hold harmless the City, and its respective officials and employees, from and against any and all claims, liens, suits, filings, written notices of claims, damages, losses and expenses, including reasonable attorneys’ fees, (collectively “Claims”) attributable to (i) bodily injury, or death, or (ii) injury to or destruction of tangible property, including the loss of use resulting therefrom, in either event arising out of the construction, ownership and operation of the Parking Deck.

(b) Notwithstanding the foregoing, (i) no Owner’s indemnification and hold harmless obligations shall include the proportion of any Claim attributable to the negligent act or omission or the willful misconduct of the City, or its respective agents, officials, employees, contractors, or assigns, and (ii) each Owner’s indemnification and hold harmless obligations shall be limited to the lesser of (A) the actual Claims against the Owner, and (B) the insurance proceeds available with respect to any such Claim pursuant to any policy of insurance required by this Agreement.

**SECTION 6**  
**DEFAULT AND REMEDIES**

**6.1 Default and Remedies.** In the event of a default of the obligations set forth in this Agreement in any material respect, a Party which is not in default (the “*Non-Defaulting Party*”) may give written notice to the Party in default (the “*Defaulting Party*”) of the nature of the alleged default. The Defaulting Party shall have a period of thirty (30) days after being given such notice (or if such cure is not feasible within such thirty (30) day period, then the Defaulting Party shall have a reasonable amount of time to correct any such default). If after the expiration of any such notice and cure periods the Defaulting Party has not corrected such default to the reasonable satisfaction of the Non-Defaulting Party, the Non-Defaulting Party may exercise its remedies at law or in equity, subject to any further limitations set forth in this Agreement.

**6.2 Liquidated Damages.** In addition to any other remedy available at law or in equity, the City shall be entitled to liquidated damages in the event that Developer fails to make the required Public Parking Spaces available for Public Parking at all times in accordance with the terms of this Agreement. Liquidated damages shall be assessed at the rate of \$\_\_\_\_\_ per Parking Space for each day that a Parking Space is not available for Public Parking as contemplated in this Agreement. Notwithstanding Sec. 6.1, the City shall be entitled to liquidated damages assessed pursuant to this paragraph even if the default is cured within the cure period set forth in Sec. 6.1. Liquidated damages owed to the City pursuant to this section shall be a lien on the Property.

**6.3 Default Shall Not Defeat Mortgage.** A default under this Agreement shall not defeat or render invalid the lien of any Mortgage made in good faith and for value, but the terms, conditions, covenants and restrictions contained in a declaration of the covenants set forth herein shall be binding upon and effective against any of the parties whose title to said property or any portion thereof is acquired by foreclosure, trustee’s sale or otherwise.

**6.4 Limitation of Liability.** IN NO EVENT SHALL ANY PARTY BE LIABLE UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, TREBLE OR PUNITIVE DAMAGES, IN CONTRACT, TORT OR OTHERWISE, WHETHER OR NOT CAUSED BY OR RESULTING FROM THE SOLE OR CONCURRENT NEGLIGENCE OF SUCH PARTY OR ANY OF ITS AFFILIATES OR RELATED PARTIES. NOTWITHSTANDING THE FOREGOING, EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS LIMITATION OF LIABILITY SHALL NOT APPLY TO THIRD-PARTY CLAIMS (EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT).

**SECTION 7**  
**NOTICES**

**7.1 Notice.** Any notices, requests, and other communications required or permitted to be given hereunder shall be in writing and shall be either (i) delivered prepaid by hand, or (ii) sent prepaid by a reputable, national overnight delivery service (*e.g.*, Federal Express, UPS, DHL) and addressed to each Party at the applicable address set forth herein. Any such notice, request, or other communication shall be considered given on the date of hand delivery (if delivered by hand), or on the next business day following deposit with an overnight delivery service with instructions to deliver on the next day or on the next business day (if sent by overnight delivery service). However, the time period within which a response to any notice or request must be given, if any, shall commence to run from the date of actual receipt of such notice, request, or other communication by the addressee thereof. Rejection or other refusal to accept or inability to deliver because of a changed address of which no notice was given shall be deemed to be receipt of the notice, request, or other communication. By giving at least ten (10) days

prior written notice thereof, any party hereto may, from time to time and at any time, change its mailing address hereunder.

NOTICE TO THE CITY: City of Charlotte  
Charlotte-Mecklenburg Governmental Building  
600 East Fourth Street, 15th Floor  
Charlotte, North Carolina 28202-2865  
Attn: City Manager  
PHONE: 704-336-3185  
FAX: 704-336-6644  
E-MAIL: [cwalton@ci.charlotte.nc.us](mailto:cwalton@ci.charlotte.nc.us)

WITH COPY TO: City Attorney  
Charlotte-Mecklenburg Governmental Building  
600 East Fourth Street, 15th Floor  
Charlotte, North Carolina 28202-2865  
Attn: City Attorney  
PHONE: 704-336-4112  
FAX: 704-336-8854  
E-MAIL: [rhagemann@ci.charlotte.nc.us](mailto:rhagemann@ci.charlotte.nc.us)

NOTICE TO DEVELOPER  
OWNER & OPERATOR:

\_\_\_\_\_  
\_\_\_\_\_  
Charlotte, North Carolina 282\_\_  
Attn:  
PHONE:  
FAX:  
E-MAIL:

WITH COPY TO: H. Parks Helms  
\_\_\_\_\_  
Charlotte, North Carolina 28202  
PHONE:  
FAX:  
E-MAIL:

**SECTION 8**  
**MORTGAGEES**

**8.1. Mortgagee Notice.** Prior to exercising its remedies hereunder, the Non-Defaulting Party, when giving notice or demand of any matter hereunder, shall provide a copy of such notice or demand to any Mortgagee of whom the Non-Defaulting Party has received notice, and, in the case of any default by the Developer, the Non-Defaulting Party shall allow said Mortgagee the same period of time as the Developer is allowed under the terms hereof to cure such default, and the Non-Defaulting Party shall not exercise any right which it may have hereunder until such cure period for said Mortgagee shall have lapsed.

**8.2 Estoppel Certificate.** The Parties hereto hereby severally covenant that upon written request of the other Party, it will issue thereto or to any Mortgagee, or any other Person specified by such requesting Party, an estoppel certificate stating: (i) whether the Party to whom the request has been directed knows of any default under the Agreement, and if there are known defaults, specifying the nature thereof; (ii) whether to its knowledge the Agreement has been assigned, modified or amended in any way (or if it has, then stating the nature thereof); and (iii) that to the Party's knowledge the Agreement as of that date is in full force and effect. Such statement shall act as a waiver of any claim by the Party furnishing it to the extent such claim is based upon facts contrary to those asserted in the statement and to the extent the claim is asserted against a Mortgagee or prospective, bona fide purchaser for value without knowledge of facts to the contrary of those contained in the statement and who has acted in reasonable reliance upon the statement.

## **SECTION 9** **MISCELLANEOUS**

**9.1 Payment to Developer.** Subject to the terms, conditions and limitations set forth herein, and recognizing the public benefit derived from the designation of Public Parking spaces in the Parking Deck, the City agrees to pay the Developer an amount of \$\_\_\_\_\_.00 for such designation. Payment shall be made within thirty (30) days after Developer provides sufficient evidence to show that a certificate of occupancy has been issued for the Parking Deck containing the Public Parking Spaces and that the declaration of covenants have been recorded pursuant to Sec. 9.12.

**9.2 Developer's Repurchase Rights.** Developer shall have the right to "repurchase" some or all of the Public Parking Spaces at a per space rate determined by multiplying \$\_\_\_\_ times the number of full and partial years remaining in the term of this agreement multiplied 3.33%. [*e.g.*, during the eighth year of the agreement: \$\_\_\_\_ x 23 x 3.33% = \$\_\_\_\_\_]. Any spaces repurchased by the Developer shall no longer be considered Public Parking Spaces or be subject to the declaration of covenants. In the event that Developer repurchases all of the Public Parking Spaces, this agreement shall be terminated.

**9.2.1 Mandatory Repurchase.** In the event that the Developer or Owner intend to use the Property for one or more purposes that would trigger a zoning or other code requirement for parking spaces that exceed the number of parking spaces located in the Parking Deck that are not Public Parking Spaces, Developer shall repurchase a sufficient number of Public Parking Spaces to satisfy the zoning or other code requirement. The per space rate for such a purchase shall be determined in accordance with Sec. 9.2.

**9.3 Captions.** The captions of the Sections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

**9.4 Governing Laws.** This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina.

**9.5 No Partnership.** Neither anything contained in this Agreement nor any acts of the Parties shall be deemed or construed by any Person to create the relationship of principal and agent or of partnership, or of joint venture, or of any association between either of the Parties.

**9.6 Not A Public Dedication.** Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Project to the general public or for the general public or for any public purpose whatsoever, it being the intention of the Parties that this Agreement shall be strictly limited to and for the purposes herein expressed.

**9.7 Severability.** If any term, provision or condition contained in this Agreement shall, to any extent, be invalid or unenforceable, the remainder of this Agreement (or the application of such term, provision or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each term, provision and condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

**9.8 Singular Includes The Plural.** The use of the singular herein includes the plural; the use of the plural herein includes the singular; the use of the masculine herein includes the feminine and/or neuter; the use of the feminine herein includes the use of the masculine and/or the neuter, and the use of the neuter herein includes the masculine and/or feminine, each as the context may require.

**9.9 Successors.** This Agreement shall, except as otherwise provided herein, be binding upon and inure to the benefit of the successors and assigns of the Parties.

**9.10 Method and Effect of Amendment.** The Parties agree that the provisions of this Agreement may be modified or amended, in whole or in part, only by written agreement, executed and acknowledged by the Parties.

**9.11 No Third-Party Beneficiary.** Except for the provisions hereof which are for the benefit of a Mortgagee, the provisions of this Agreement are for the exclusive benefit of the Parties and not for the benefit of any third Person, nor shall this Agreement be deemed to have conferred any rights, express or implied, upon any third Person.

**9.12 Declaration.** The Owner shall record a declaration of covenants contained in this Agreement as a restrictive covenant against the real property on which the Parking Deck is constructed, the form of which is attached hereto as Exhibit C in the Office of the Register of Deeds for Mecklenburg County, North Carolina prior to or contemporaneously with obtaining a certificate of occupancy for the Parking Deck. The Owner shall be responsible for ensuring that the City's rights in the declaration of covenants are superior to any Mortgagee.

**9.13 Assignment.** No party hereto shall be entitled to voluntarily, involuntarily, by operation of law or otherwise (including by way of merger or consolidation) sell, assign or transfer this Agreement without first obtaining the written consent of the non-assigning parties, which consent shall not be unreasonably withheld, delayed or conditioned; provided, however, the Developer shall be entitled, without the consent of the other Parties hereto, to (i) collaterally assign the rights and obligations of the Developer hereunder for the benefit of a Mortgagee, and (ii) transfer and assign this Agreement and all of its rights and obligations hereunder either to a Qualified Transferee or an Affiliate of Developer formed for the purpose of developing, constructing, owning or operating the Parking Deck or any other entity that includes Developer, or an Affiliate of Developer, and Developer's equity partners and Developer has operational control of the same, whereupon all of Developer's rights and obligations hereunder shall be transferred to such assignee with respect to the Parking Deck, without further recourse to Developer.

**9.14 Termination of Agreement.** This Agreement shall remain in full force and effect during the Term hereof and shall terminate automatically and immediately, without further action of any Party hereto, upon the expiration of the Term. Upon termination of this Agreement, the Parties agree to cooperate in good faith to execute and deliver, in recordable form, a termination of this Agreement and any declaration of the covenants contained herein with respect to the Parking Deck.

[SIGNATURE PAGES FOLLOW]

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

This Agreement has been executed by the Parties as of the day and year first above written.

DEVELOPER,  
a North Carolina corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CITY OF CHARLOTTE

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest:

\_\_\_\_\_  
City Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
City Attorney

## EXHIBIT A

### DEFINITIONS

“*Affiliate*” means, with reference to a specified Person: (i) a Person that, directly or indirectly, through one or more intermediaries, has Control of, is Controlled by or is under Common Control with, the specified Person; (ii) any Person that is a director, officer, partner, managing member or trustee of, or serves in a similar capacity with respect to the specified Person, or for which the specified Person is an officer, general partner, managing member or trustee, or serves in a similar capacity; or (iii) any member of the immediate family of the specified Person.

“*Applicable Law*” shall mean any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, building code and ordinance, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, requirement or decision of, or agreement with, or by, Governmental Authorities.

“*Control*” (including the terms “*Controlling*”, “*Controlled by*”, and “*under Common Control with*”) means the possession, directly or indirectly, through one or more intermediaries, of the power to direct or cause the direction of the management or policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“*Developer*” means \_\_\_\_\_, a North Carolina corporation, its successors and assigns.

“*Governmental Authorities*” shall mean any and all jurisdictions, entities, courts, boards, agencies, commissions, authorities, offices, divisions, subdivisions, departments or bodies of any nature whatsoever or any governmental unit (federal, state, county, municipality or otherwise) whether now or hereafter in existence.

“*Mortgage*” shall mean a bona fide deed of trust, bona fide mortgage or other bona fide security instrument encumbering the Property.

“*Mortgagee*” shall mean a bona fide institutional mortgage lender which has loaned money to Developer or its Affiliate which is secured by a Mortgage.

“*Opening Date*” shall mean the date the Parking Deck has obtained a certificate of occupancy (or its reasonable equivalent) and has opened for business.

“*Operate*”, “*Operating*”, or “*Operation*” mean, whether capitalized or not, with respect to the Parking Deck that the Parking Deck is open and is being managed in accordance with the terms hereof, except: (i) when temporarily not open by reason of the occurrence of a casualty or taking, (ii) during any period of restoration or reconstruction of the Parking Deck, or (iii) by reason of such other reasonable interruptions which may be incidental to the conduct of business not attributable to Developer’s or Owner’s gross negligence or willful misconduct.

“*Operator*” shall mean the Person selected from time to time to manage, operate, maintain and repair the Parking Deck in accordance with this Agreement. Operator may be Developer, the Owner, an Affiliate of Developer or the Owner, or a third Person management company, in Developer’s sole discretion, provided that Developer shall cause the Operator to perform all duties and obligations of Operator in accordance with a management agreement not materially or adversely inconsistent with the terms and conditions of this Agreement.

**“Owner”** shall mean the owner(s) of fee simple title to the real property on which the Parking Deck is constructed.

**“Parking Deck”** means the Parking Deck, together with any and all improvements, alterations, additions, and replacements thereto and all fixtures and all mechanical, electrical or other building systems therein, which are at any time erected thereon or therein.

**“Person”** shall mean any natural person, firm, partnership, association, corporation, limited liability company, trust, entity, public body, authority, governmental unit or other entity, or the successor or assigns of any such natural person, firm, partnership, association, corporation, limited liability company, trust, entity, public body, authority, governmental unit or other entity, as applicable.

**“University”** shall mean Johnson C. Smith University, Incorporated, and its Affiliates.

## **EXHIBIT B**

### **RULES AND REGULATIONS FOR OPERATION AND USAGE OF PARKING DECK**

In addition to the parking provisions contained in the Agreement to which this Exhibit B is attached, the following rules and regulations shall apply with respect to the use of the Parking Deck.

1. Every parker is required to park and lock his/her own vehicle. All responsibility for damage to or loss of vehicles is assumed by the parker.
2. All directional signs and arrows must be observed.
3. The speed limit within all parking areas shall be five (5) miles per hour.
4. Parking is prohibited:
  - (a) in areas not striped for parking;
  - (b) in aisles;
  - (c) where “no parking” signs are posted;
  - (d) on ramps;
  - (e) in cross-hatched areas; and
  - (f) in reserved spaces (except for holders of such reserved spaces).
5. Washing, waxing, cleaning or servicing of any vehicle in any area not specifically reserved for such purpose is prohibited.
6. Violation of the rules shall subject the vehicle to removal, at such vehicle owner's expense.

**EXHIBIT C**

**DECLARATION OF  
PUBLIC PARKING AGREEMENT**

**DECLARATION CONCERNING  
MOSAIC VILLAGE PARKING DECK**

THIS DECLARATION CONCERNING MOSAIC VILLAGE PARKING DECK (the "**Declaration**") is made as of this the \_\_\_ day of \_\_\_\_\_, 2011 (the "**Effective Date**"), by \_\_\_\_\_, a North Carolina limited liability company ("**Owner**"), whose address for purposes hereof is \_\_\_\_\_.

W I T N E S S E T H:

WHEREAS, Owner and the City of Charlotte, a North Carolina municipal corporation (the "**City**") are parties to a Public Parking Agreement dated \_\_\_\_\_, 2011 (the "**Public Parking Agreement**") pursuant to which Owner has agreed to cause the construction of a structured Parking Deck that includes public parking on the real property described on Exhibit A attached hereto and incorporated herein by this reference (the "**Property**") and has further agreed that the owner of the Property shall be obligated to operate the Parking Deck in accordance with the terms of the Public Parking Agreement, including without limitation recording public notice thereof, and accordingly, Owner hereby agrees to record this Declaration as a restrictive covenant against the Property for the benefit of the City.

NOW, THEREFORE, in consideration of the recitals set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner hereby declares that:

1. The following terms as used in this Declaration will have the meanings attributed to them as set forth below unless the context clearly requires another meaning. The terms set forth below do not constitute all defined terms set forth in this Declaration; such other defined terms shall have the meanings ascribed to them elsewhere in this Declaration or in the Public Parking Agreement.

(a) "**Person**" shall mean any natural person, firm, partnership, association, corporation, limited liability company, trust, entity, public body, authority, governmental unit or other entity, or the successor or assigns of any such natural person, firm, partnership, association, corporation, limited liability company, trust, entity, public body, authority, governmental unit or other entity, as applicable.

(b) "**Public Parking**" shall mean that the Public Parking Spaces shall be available to the general public either for free, or at commercially reasonable rates.

(c) "**Public Parking Spaces**" shall mean \_\_\_ parking spaces within the Parking Deck which Owner shall make available for Public Parking during the term of this Declaration.

2. The Public Parking Spaces within the Parking Deck shall be dedicated to Public Parking for a period of thirty (30) years, commencing on the date the Parking Deck has obtained a certificate of occupancy (or its reasonable equivalent) and has opened for business. This Declaration shall automatically expire upon the expiration of the above-referenced thirty (30) year term without further action of any party, provided that the Declaration may be terminated sooner either in accordance with the Public Parking Agreement or by written agreement of the Owner and City. Owner shall have no right to terminate this Declaration without the prior written agreement of the City unless by expiration hereof or unless otherwise authorized to do so pursuant to the Public Parking Agreement. Promptly upon any termination, other than the expiration of the Declaration (in which case the termination shall be automatic without requirement of any further action), the Owner and City shall execute a notice of termination upon the request of the Owner or City, such notice to be recorded at the expense of the requesting party.

3. Owner hereby agrees to defend, indemnify and hold harmless the City, its officers, employees, agents, attorneys, contractors, subcontractors, licensees, invitees, successors and assigns from and against any and all claims, demands, judgments, damages, actions, causes of action, liens, injuries, administrative or judicial orders, consent agreements and orders, liabilities, penalties, costs, fees and expenses of any kind whatsoever, arising directly or indirectly from or in connection with any breach of this Declaration by Owner.

4. Notwithstanding any provision hereof to the contrary, Owner shall have the right to lease, sell and otherwise encumber or convey its interests in the Parking Deck and/or the Property, subject to this Declaration. Any mortgagee of Owner shall have the right and be entitled to notice of and an opportunity to cure any breach of the Declaration by Owner, provided that Owner has given the City written notice of such mortgagee, as set forth in the Public Parking Agreement.

5. All of the provisions of this Declaration shall touch and concern the land described herein and shall constitute covenants running with the land for the benefit of the City. The covenants provided for herein shall inure to the benefit of and be binding upon the respective successors, assigns, heirs, and tenants of Owner and the customers, employees, and invitees of such parties, and shall remain in full force and effect and shall be unaffected by any change in ownership of any of the Property described herein during the term hereof. Without limiting the generality of the foregoing, however, Owner may delegate the responsibility for performing its obligations hereunder to an owners' association or property manager related to such Property.

6. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the real property described herein to the general public or for general public purposes whatsoever, it being the intention of the Owner that this Declaration shall be strictly limited to and for the purposes herein expressed. Without limiting the generality of the foregoing, Owner hereby expressly agrees that the City is an intended third-party beneficiaries of this Declaration and that the duties and obligations of Owner hereunder, and any breach thereof, are enforceable by each such beneficiary by all remedies and recourse available at law or in equity.

7. If any term or provision of this Declaration or the application thereof to any person or circumstances shall, to any extent, be invalid and unenforceable, the remainder of this Declaration or the application of such terms or provisions to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term or provision of this Declaration shall be valid and shall be enforced to the fullest extent permitted by law.

8. This Declaration shall be construed and enforced in accordance with the laws of the State of North Carolina.

9. The terms of the Public Parking Agreement are incorporated herein by this reference. In the event of any inconsistency between the Declaration and the Public Parking Agreement, the Public Parking Agreement shall govern.

[SIGNATURE PAGE FOLLOWS]

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Owner has executed this Declaration as of the date and year first set forth above.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

State of North Carolina

County of Mecklenburg

I certify that the following person personally appeared before me this day, acknowledging to me that he signed the foregoing document: \_\_\_\_\_, \_\_\_\_\_ of the limited liability company.

Date: \_\_\_\_\_

\_\_\_\_\_  
Official Signature of Notary Public  
*[Notary Public must sign exactly as on notary seal]*

**(Official Seal)**  
**(MUST BE FULLY LEGIBLE)**

\_\_\_\_\_  
Notary Public's printed or typed name

My commission expires: \_\_\_\_\_

**EXHIBIT A**

LEGAL DESCRIPTION

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

**INFRASTRUCTURE**  
**REIMBURSEMENT**  
**AGREEMENT**

THIS INFRASTRUCTURE REIMBURSEMENT AGREEMENT (this "Agreement"), entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2011, by and between \_\_\_\_\_ ("Developer"), and the CITY OF CHARLOTTE, a North Carolina municipal corporation ("City").

WHEREAS, Developer plans a mixed use commercial, retail, and residential development ("Project") at \_\_\_\_\_ (as hereafter defined) (the "Property");

WHEREAS, in order to facilitate pedestrian usage and other streetscape improvements in the general area of the Project, Developer intends to construct certain public infrastructure on, adjacent to and in the vicinity of the Property, in the locations shown on the plan attached hereto as Exhibit A (collectively, and as hereafter defined, the "Public Improvements");

WHEREAS, the City is willing to participate in the Project through an infrastructure reimbursement agreement pursuant to Section 2.2 of the Charlotte City Code and N.C. Session Law 2001-329 by reimbursing Developer for the cost of designing and constructing the Public Improvements under the terms and conditions set forth in this Agreement; and

WHEREAS, the City has determined that the cost to the City in reimbursing Developer for designing and constructing the Public Improvements is less than the City estimates it would cost if the City were to publicly bid the work.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. Definitions.

**"Public Improvements"** shall mean \_\_\_\_\_.

2. Design and Construction. The Developer shall:
  - a. design the Public Improvements;
  - b. obtain all necessary regulatory approvals for construction of the Public Improvements;
  - c. acquire all right-of-way and temporary construction easements necessary for the construction of the Public Improvements;



8. No Third Party Rights. This Agreement is entered into by and between the parties hereto for their exclusive benefit. The parties do not intend to create or establish by this Agreement any third-party beneficiary status or rights, and no such third-party shall be entitled to enforce any right of obligation or enjoy any benefit created or established by this Agreement.

9. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

10. Assignment. Developer may sell, assign or transfer its rights under this Agreement to any person or entity that acquires all or substantially all of Developer's interest in the Project.

11. Applicable Law. This Agreement shall be enforced, interpreted and construed by and under the laws of the State of North Carolina.

12. Interpretation. Each of the parties hereto has agreed to the use of the particular language of the provisions of this Agreement and any questions of doubtful interpretation shall not be resolved by any rule or interpretation against the drafters, but rather in accordance with the fair meaning thereof, having due regard to the benefits and rights intended to be conferred upon the parties hereto and the limitations and restrictions upon such rights and benefits intended to be provided.

13. Entire Agreement. This Agreement is the entire agreement between the parties with respect to its subject matter and there are no other representations, understandings or agreements between the parties relative to such subject matter. This Agreement supersedes all prior agreements, negotiations, representations and proposals ("prior agreements), written oral, except to the extent such prior agreements are incorporated by reference into this Agreement.

14. Amendment. No amendment or modification to the Agreement shall be valid in writing and signed by both parties to this Agreement.

15. Captions. The captions and headings set forth in this Agreement are for convenience of reference only and shall not be construed as part of this Agreement.

16. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be an original, but all of which shall together constitute one (1) and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ATTEST:

CITY OF CHARLOTTE

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_

ATTEST:

DEVELOPER

\_\_\_\_\_

By: \_\_\_\_\_

Witness

This instrument has been pre-audited in the manner required by the “Local Government Budget and Fiscal Control Act”.

\_\_\_\_\_  
**Finance Officer**

**Exhibit B**

**Small Business Enterprise (SBE) Participation Plan**



The Charlotte

# BAROMETER

Report



An Official Publication of the Charlotte Regional Visitors Authority

## JUNE 2011

### National & International Business & Convention

#### BENCHMARK HOSPITALITY - 2011 MEETING TRENDS

In a recent issue, **TravelMole** covered the latest meeting survey from Benchmark Hospitality which finds that business travel, both individual and group, is up this year and for the most part, the pace is better than last year. Benchmark also says spending is increasing so fast that 2012 “may be the best year in a long time.” Other trends: Planners want choices and flexibility in packages offered; Properties are increasingly agreeing to

value-added options such as free internet access and cancellation flexibility; Improvement in economic conditions is encouraging booking forward, especially towards the end of 2011 and 2012; Social media seems to be infiltrating the meeting planning industry, although not to the extent that it has taken over communications for the general public; Planners remain highly conscious of cost- “It’s a must for government meetings, and often for meetings in the pharmaceuticals’ niche as well”; Team building events are in demand (planners expect clever variations); Inquiries about entertainment options are “finally up again”; and Planners are definitely using the Internet to learn about locations and destinations.

### Local Perspective

#### CHARLOTTE AREA LODGING – APRIL SMITH TRAVEL RESEARCH

Charlotte area hotel **occupancy** was 65% in April, a 7.1% improvement from April 2010. Occupancy in our market has now increased for 16 consecutive months. Year to date, Charlotte area occupancy stands at 59.7%, up 6.6% from the same period last year (56%). By comparison, year to date occupancy has risen 5.4% in the US (56.5%), 5.4% in NC

(52.7%) and 5.5% in the Top 25 (64.4%).

632,328 hotel rooms were consumed in the Charlotte market during April, a 9.2% improvement over April 2010, and the highest April total on record. **Demand** has now risen in Charlotte area hotels for 18 straight months. Year to date, Charlotte demand has risen 8.5% from the same period last year. By comparison, year to date demand has increased 6.4% in the US, 6.8% in NC and 6.7% in the Top 25.

**Average daily rate** (ADR) was \$83.51 in Charlotte for the month of April, an increase of 0.8% from last April. Rate has now increased in our market for 10 months in a row. Year to date, market-wide ADR stands at \$84.02, up 4.1% from the same period last year (\$80.68). By comparison, year to date rate has risen 3.1% in the US (\$99.72), 2.5% in NC (\$78.67) and 3.7% in the Top 25 (\$119.84).

Charlotte **revenue per available room** (RevPAR) was \$54.26 for April, up 7.9% from April 2010 (\$50.29). RevPAR has risen in the destination for 15 consecutive months. Year to date, RevPAR is \$50.16 in the market, up 11% from the same period last year (\$45.20). By comparison, year to date RevPAR is up 8.7% in the US (\$56.31), 8.1% in NC (\$41.45) and 9.5% in the Top 25 (\$77.18).

#### MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS-- FY11 THROUGH APRIL

**Mecklenburg County 6% regular occupancy tax collections** total \$19.8 million fiscal year to date through April, up 14% from the same period last year.

**Mecklenburg County 2% NASCAR hall of fame occupancy tax collections** total \$6.6 million fiscal year to date through April, also up 14% from the same period last year.

**Mecklenburg County 1% prepared food & beverage tax collections** total \$17.4 million fiscal year to date through April, up 5% from the same period last year.

## National Leisure & Tourism

### NRA RESTAURANT PERFORMANCE INDEX

According to the latest issue of **TravelSmartNews**, The National Restaurant Association's **Restaurant Performance Index (RPI)** stood at 100.9 in April, essentially unchanged from a level of 101.0 in March. In addition, April represented the fifth consecutive month in which the RPI stood above 100, which signifies expansion in the index of key industry indicators. Barring any significant external shocks, restaurant sales and traffic levels will continue to improve in the months ahead. Twenty-four percent of restaurant operators plan to increase staffing levels in six months (compared to the same period in the previous year); while just 11% said they expect to reduce staffing levels in six months.

## Economy

### USTA REPORTS A WEAK AND ROCKY RECOVERY

According to the **USTA's** latest *Travel Outlook*, the U.S. economy remains mired in a weak and rocky recovery. Consumers are the key, but there now seem to be more factors constraining consumer spending than supporting it. Nearly two years after the end of the "Great Recession," Gallup reports that discretionary spending remains far below the pre-

economic-crisis levels. Consumer spending, however, is expected to continue to increase, but at relatively moderate rates, according to Oxford Economics.

But while employment has been improving, other indicators reveal a slowdown in the recovery. GDP growth slowed more than expected to an annual rate of 1.8 percent in Q1 '11, from 3.1 percent in Q4 '10, reflecting weak investment, especially in housing, and a sharp cutback in government spending. Real personal consumption growth slowed to 2.7 percent, from 4.0 percent in Q4 '10. Some economists, such as those at Oxford Economics, believe that the economy had more underlying momentum in the first quarter than this latest report implies, expecting GDP to grow at a relatively modest rate of around 3.5 percent over the next couple of years.

## Media

### MAY 2011 VOCUS

During May, **Vocus** identified 5,826 news items on key terms tracked by CRVA. By category, 38% were on the NASCAR Hall of Fame followed by Charlotte Attractions (12%), Time Warner Cable Arena (5%), Charlotte Convention Center (5%) and Charlotte Hotels (4%). By media, 48% of May's media hits occurred via Online, Consumer sites followed by Online News

& Business sites (19%), Newspaper (9%), Television Program (8%) and Cable/Satellite – Network/Station (4%). A total of 82% of May's PR activity was picked up outside the Charlotte Region.

### Sources for this Publication

- Mecklenburg County Tax Office
- Smith Travel Research
- The TAP Report
- TravelMole
- Travel Smart News
- US Department of Labor
- US Travel Association
- Visit Charlotte/CRVA
- Vocus

*Michael Applegate, CDME  
Director of Research, CRVA  
michael.applegate@crva.com*

### 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

## May 2011

### Charlotte Market Lodging Production

|                        | Charlotte Market | North Carolina | Competitive Set | United States | Top 25 |
|------------------------|------------------|----------------|-----------------|---------------|--------|
| April 2011 Occupancy % | 65.0             | 60.3           | 62.9            | 61.2          | 68.9   |
| % Change               | 7.1              | 5.8            | 5.3             | 4.9           | 5.1    |
| April 2011 ADR \$      | 83.51            | 81.62          | 91.66           | 100.55        | 123.35 |
| % Change               | 0.8              | 1.4            | 0.9             | 2.8           | 3.5    |
| April 2011 RevPAR \$   | 54.26            | 49.20          | 58.03           | 61.51         | 85.02  |
| % Change               | 7.9              | 7.3            | 6.4             | 7.9           | 9.8    |
| 2011 YTD Occupancy %   | 59.7             | 52.7           | 57.0            | 56.5          | 64.4   |
| % Change               | 6.6              | 5.4            | 5.9             | 5.4           | 5.5    |
| 2011 YTD ADR \$        | 84.02            | 78.67          | 89.45           | 99.72         | 119.84 |
| % Change               | 4.1              | 2.5            | 1.7             | 3.1           | 3.7    |
| 2011 YTD RevPAR \$     | 50.16            | 41.45          | 51.38           | 56.31         | 77.18  |
| % Change               | 11.0             | 8.1            | 7.7             | 8.7           | 9.5    |

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 April | % Chg from April '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 May | Change from May 2010 | FY 2011 YTD | YTD Chg (%) from FY10 |
|-----------------------------------|--------------|----------------------|-------------|-----------------------|
| Total Room Night Production       | 26,477       | -4,179               | 449,073     | 145,620 (48%)         |
| Visitor Economic Development (\$) | 45,465,210   | 21,603,202           | 361,851,780 | 133,556,718 (59%)     |
| Number of Definite Bookings       | 23           | 4                    | 342         | 45 (15%)              |
| Average Size of Definite Bookings | 1,151        | -462                 | 1,313       | 291 (28%)             |
| Total Attendance                  | 42,430       | 1,404                | 673,797     | 75,526 (13%)          |
| Convention Center GSF Booked      | 5,150,000    | 3,520,000            | 20,170,000  | 7,460,000 (59%)       |

### Visit Charlotte Lead Room Night Production

|                               | Month of May | Change from May 2010 | FY 2011 YTD | YTD Chg (%) from FY10 |
|-------------------------------|--------------|----------------------|-------------|-----------------------|
| Total Room Night Production   | 68,793       | -24,368              | 906,131     | -228,422 (-20%)       |
| Number of Lead Bookings       | 48           | -13                  | 720         | 80 (13%)              |
| Average Size of Lead Bookings | 1,433        | -94                  | 1,259       | -514 (-30%)           |

### Visit Charlotte Housing Bureau Production

|                             | Month of May | FY 2011 YTD | YTD% Chg from FY10 |
|-----------------------------|--------------|-------------|--------------------|
| Total Reservations Produced | 418          | 8,805       | 63%                |
| Total Room Nights Produced  | 1,491        | 35,346      | 188%               |

### Visit Charlotte Leisure Tourism Promotion & Production

|   | Month of May | FY 2011 YTD | YTD % Chg from FY10 |
|---|--------------|-------------|---------------------|
| Advertising Impressions                     | 13,581,012   | 67,052,706  | N/A                 |
| Visit Charlotte Web Site Visitors (Google ) | 102,960      | 981,236     | 3%                  |
| Motor Coach Group Bookings (Passengers)     | 1,641        | 6,196       | 36%                 |

## DEFINITE BOOKINGS May 2011

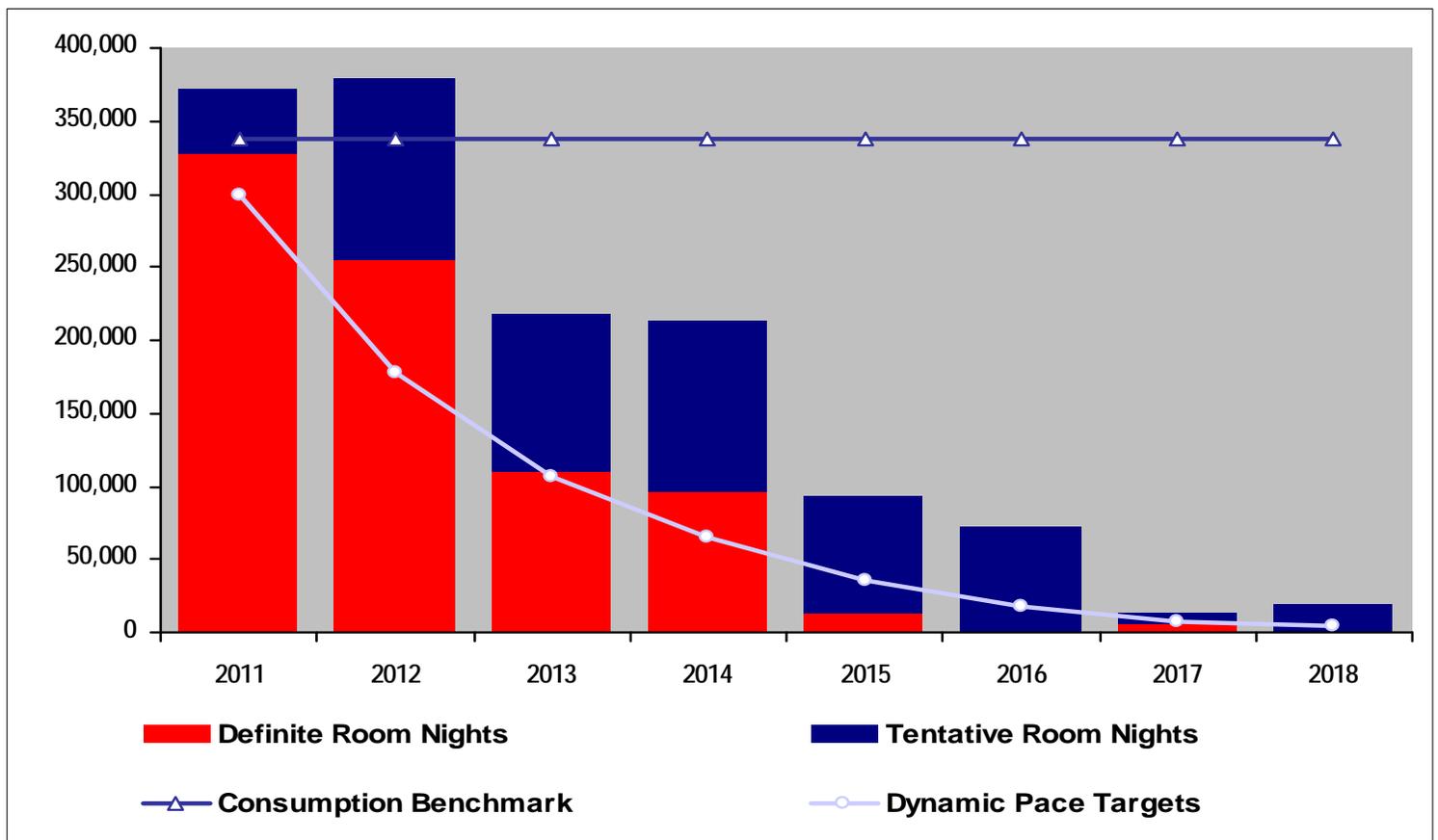
| Charlotte Convention Center                  |              |            |      |                     |                   |               |                         |
|--|--------------|------------|------|---------------------|-------------------|---------------|-------------------------|
| Group Name                                   | Meeting Type | Event Date | Days | Exhibit Gross Sq Ft | Total Room Nights | Attend        | Visitor Econ. Dev. (\$) |
| Ryder System, Inc.                           | Meeting      | 7/11       | 4    | 0                   | 408               | 150           | 188,400                 |
| CALSTART, Inc.                               | Convention   | 9/12       | 3    | 240,000             | 895               | 800           | 753,600                 |
| Beauty Systems Group ®                       | Tradeshow    | 10/12      | 2    | 700,000             | 1,100             | 8,000         | 5,024,000               |
| National Baptist Convention ®                | Convention   | 8/13       | 4    | 2,800,000           | 10,680            | 12,000        | 15,072,000              |
| International Wire & Cable Symposium ®       | Tradeshow    | 11/13      | 4    | 160,000             | 1,000             | 305           | 383,080                 |
| Structural Building Components Association ® | Tradeshow    | 9/14       | 3    | 400,000             | 784               | 1,500         | 1,413,000               |
| Veterans of Foreign Wars                     | Convention   | 7/16       | 4    | 850,000             | 9,465             | 15,000        | 18,840,000              |
| <b>Total</b>                                 |              |            |      | <b>5,150,000</b>    | <b>24,332</b>     | <b>37,755</b> | <b>41,674,080</b>       |

| Conference Sales   |            |      |                   |            |                         |
|--|------------|------|-------------------|------------|-------------------------|
| Group Name   | Event Date | Days | Total Room Nights | Attendance | Visitor Econ. Dev. (\$) |
| Office for Victims of Crime Training & Technical Assistance Center | 5/11       | 2    | 60                | 30         | 18,840                  |
| Pearson ®  | 6/11       | 34   | 158               | 175        | 1,868,300               |

|  |       |   |               |               |                   |
|--|-------|---|---------------|---------------|-------------------|
| BNP Media                              | 6/11  | 1 | 0             | 300           | 94,200            |
| Amateur Athletic Union Track and Field | 6/11  | 2 | 450           | 2,250         | 603,000           |
| Advanced Technology International      | 6/11  | 1 | 20            | 30            | 9,420             |
| North Carolina Chess Association       | 9/11  | 2 | 140           | 250           | 67,000            |
| Canon USA                              | 9/11  | 1 | 0             | 125           | 39,250            |
| Young Adult Ministry                   | 10/11 | 3 | 150           | 250           | 235,500           |
| The Meeting Company                    | 10/11 | 1 | 10            | 125           | 39,250            |
| St. Mark's Church                      | 10/11 | 2 | 52            | 50            | 31,400            |
| Affordable Comfort, Inc.               | 10/11 | 2 | 235           | 200           | 125,600           |
| Alpha Phi Alpha Fraternity, Inc. ®     | 11/11 | 2 | 171           | 250           | 157,000           |
| American Society of Civil Engineers ®  | 1/12  | 3 | 35            | 20            | 18,840            |
| United Tribes of North Carolina        | 3/12  | 2 | 414           | 200           | 125,600           |
| Matthews Construction Company          | 3/12  | 2 | 100           | 120           | 75,360            |
| Moore, Hill, Shine Family              | 7/12  | 3 | 150           | 300           | 282,600           |
| <b>Total</b>                           |       |   | <b>2,145</b>  | <b>4,675</b>  | <b>3,791,130</b>  |
| <b>GRAND TOTAL</b>                     |       |   | <b>26,477</b> | <b>42,430</b> | <b>45,465,210</b> |

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

## Eight Year Dynamic Room Night Pace Report (As of 5/1/11) Trends Analysis Projections, LLC

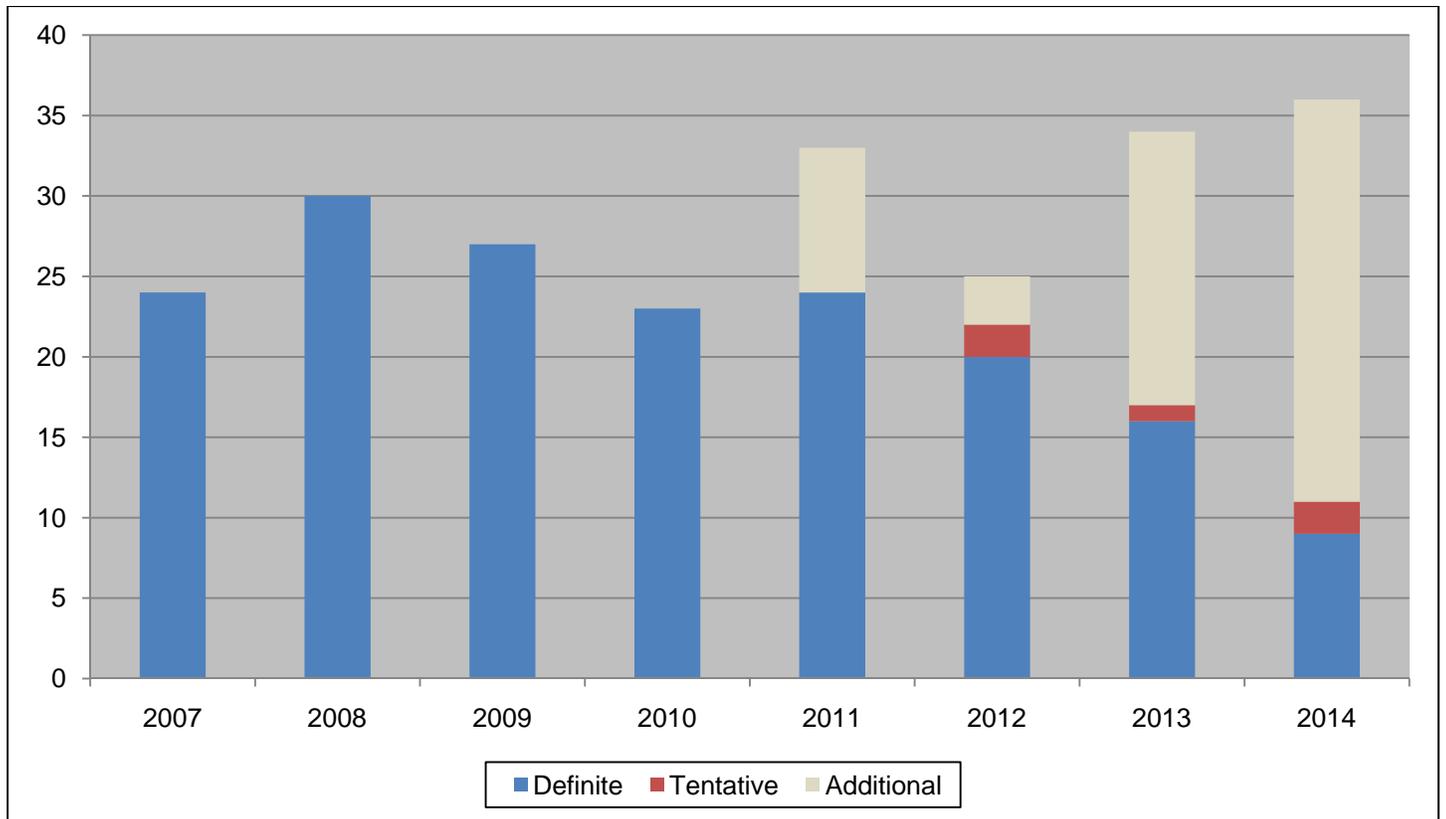


## Eight Year Dynamic Room Night Pace Report (As of 5/1/11) Trends Analysis Projections, LLC

|                                | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | Total     |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Charlotte Definite Room Nights | 327,720 | 254,761 | 109,958 | 95,691  | 13,483  | 0       | 5,937   | 0       | 807,550   |
| Pace Target                    | 299,825 | 177,541 | 105,995 | 65,166  | 35,860  | 17,607  | 8,060   | 3,735   | 713,789   |
| Pace Percentage                | 109%    | 143%    | 104%    | 147%    | 38%     | 0%      | 74%     | 0%      | 113%      |
| Tentative Room Nights          | 44,030  | 124,111 | 107,145 | 118,376 | 80,418  | 72,602  | 6,885   | 18,730  | 572,297   |
| Consumption Benchmark          | 337,121 | 337,121 | 337,121 | 337,121 | 337,121 | 337,121 | 337,121 | 337,121 | 2,696,968 |
| Peer Set Pace Percentage       | 97%     | 94%     | 88%     | 83%     | 119%    | 100%    | 90%     | 195%    | 96%       |

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

### Charlotte Convention Center Tradeshaw & Convention Booking Outlook (As of 6/2/11)



Charlotte Convention Center  
 Tradeshow & Convention Booking Outlook  
 (As of 6/2/11)

| <b>Fiscal Year</b>        | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Definite Bookings</b>  | 24          | 30          | 27          | 23          | 24          | 20          | 16          | 9           |
| <b>Tentative Bookings</b> | 0           | 0           | 0           | 0           | 0           | 2           | 1           | 2           |
| <b>Subtotal</b>           | 24          | 30          | 27          | 23          | 24          | 22          | 17          | 11          |
|                           |             |             |             |             |             |             |             |             |
| <b>Definite Target</b>    | 20          | 21          | 26          | 30          | 33          | 25*         | 34*         | 36*         |
| <b>Variance</b>           | 4           | 9           | 1           | -7          | -9          | -3          | -17         | -25         |

\*new goal beginning FY11

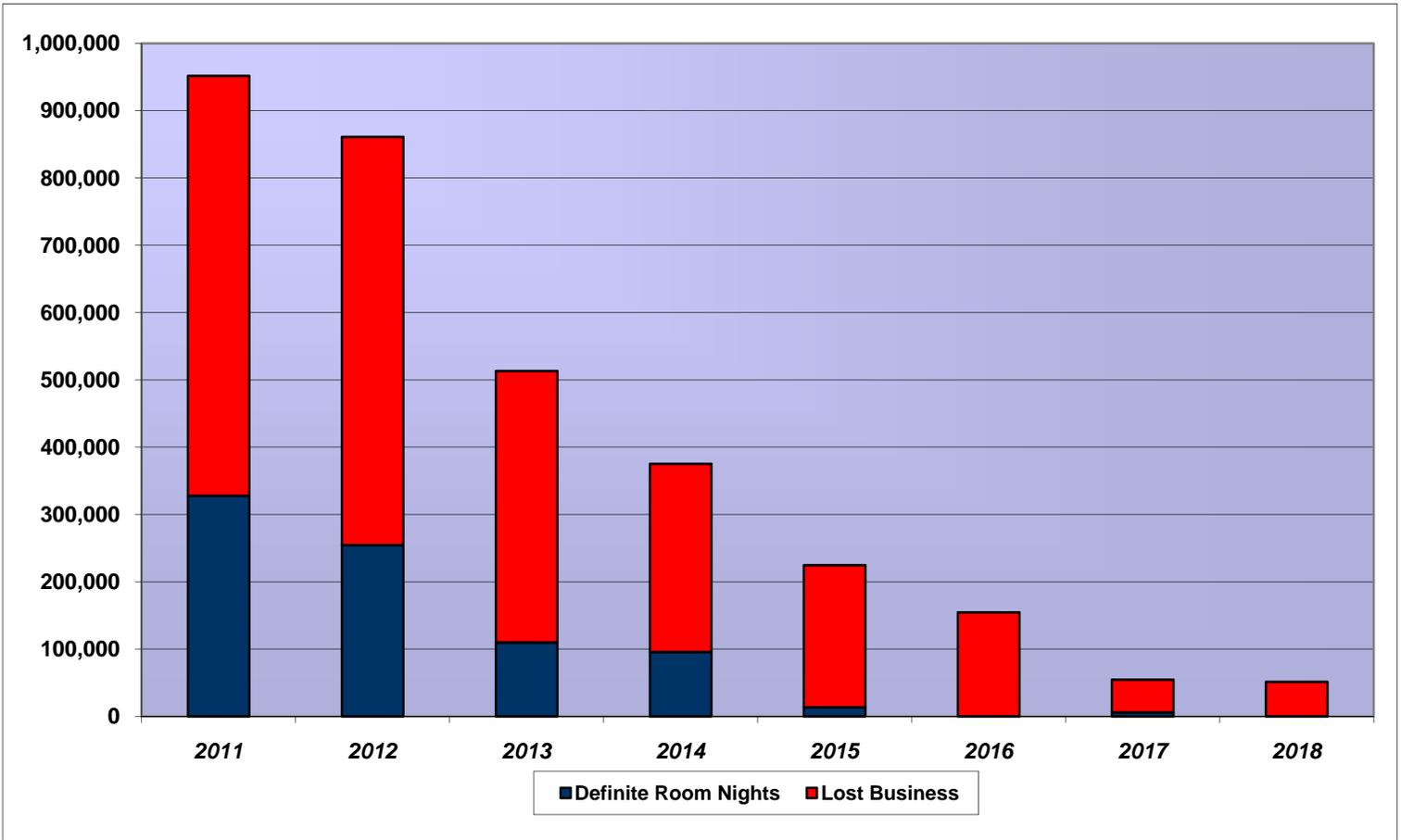
# HOSPITALITY INDUSTRY SALES ACTIVITIES

## May 2011

| <b>Site Visits</b>  |                         |                          |                         |
|---|-------------------------|--------------------------|-------------------------|
| <b>Group Name</b>   | <b>Venue</b>            | <b>Total Room Nights</b> | <b>Total Attendance</b> |
| <b>DEFINITES</b>  |                         |                          |                         |
| Confederation of North, Central American and Caribbean Association Football (CONCACAF) (6/11) | Bank of America Stadium | 1,779                    | 50,000                  |
| Aloha Tournaments (6/11)  | Park & Rec              | 980                      | 1,500                   |
| National Association of Free Will Baptists (7/11)   | CCC                     | 4,580                    | 7,000                   |
| <b>TENTATIVES</b>   |                         |                          |                         |
| Destination Marketing Association of North Carolina (9/11)                                    | Hotel                   | 65                       | 85                      |
| Incentive Manufacturers Representatives Alliance (3/12)                                       | Hotel                   | 490                      | 200                     |
| North Carolina Dietetic Association (4/12)  | Hotel                   | 150                      | 200                     |
| International Association of Law Enforcement Planners (9/12)                                  | Hotel                   | 300                      | 100                     |
| National Council for History Education (9/12)   | Hotel                   | 200                      | 150                     |
| Chums, Inc. (10/13)   | Hotel                   | 610                      | 350                     |
| Miller, Coors (3/15)  | CCC                     | 7,462                    | 3,000                   |
| Type-A Parents Conference (TBD)   | TBD                     | TBD                      | TBD                     |

| <b>Trade Shows &amp; Events (attended by staff)</b> |                   |
|---|-------------------|
| <b>Event Name</b>                                   | <b>Location</b>   |
| Association Executives of North Carolina            | Cary, NC          |
| Collaborate Tradeshow                               | Houston, TX       |
| International Pow Wow                               | San Francisco, CA |
| NASCAR Familiarization Tour                         | Charlotte, NC     |
| North Carolina Travel & Tourism Coalition           | Raleigh, NC       |
| Passkey Forum                                       | Seattle, WA       |

## Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 5/1/11) Trends Analysis Projections, LLC

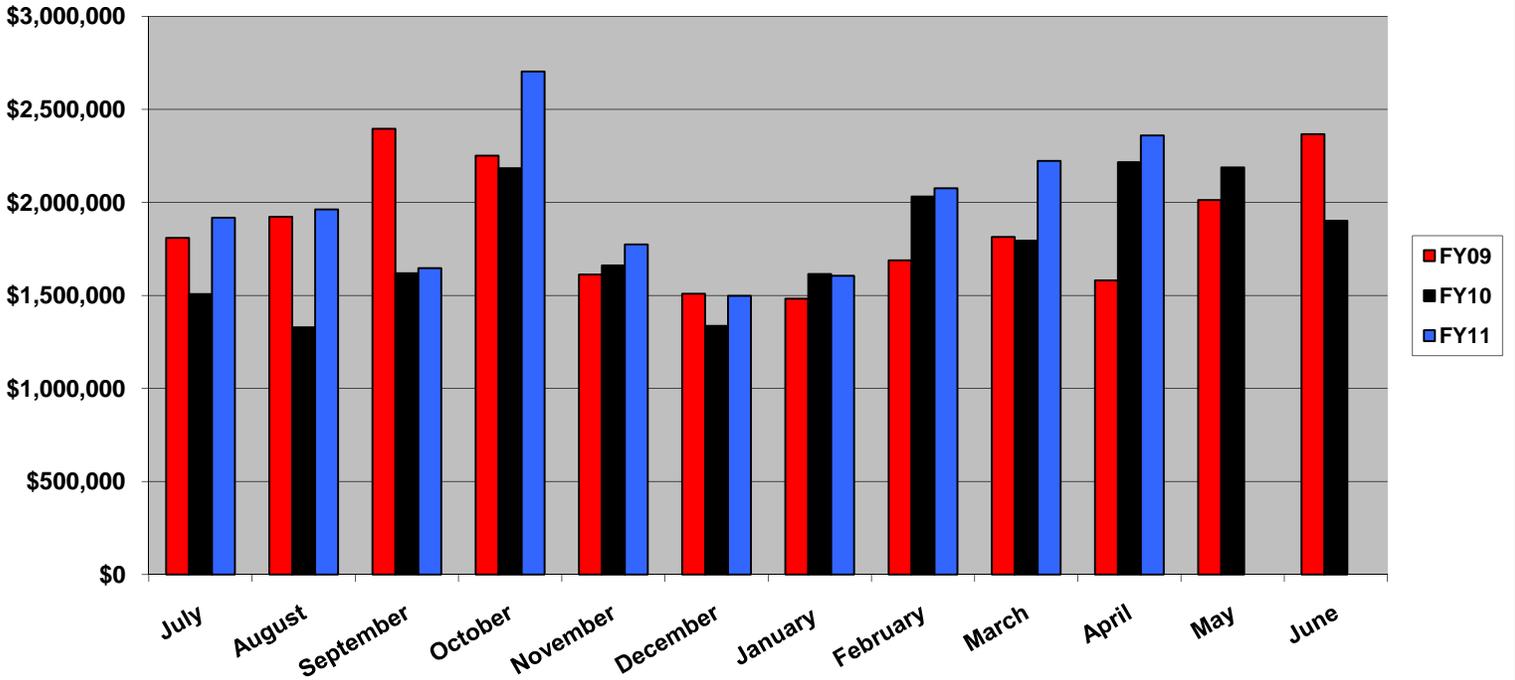


## Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 5/1/11) Trends Analysis Projections, LLC

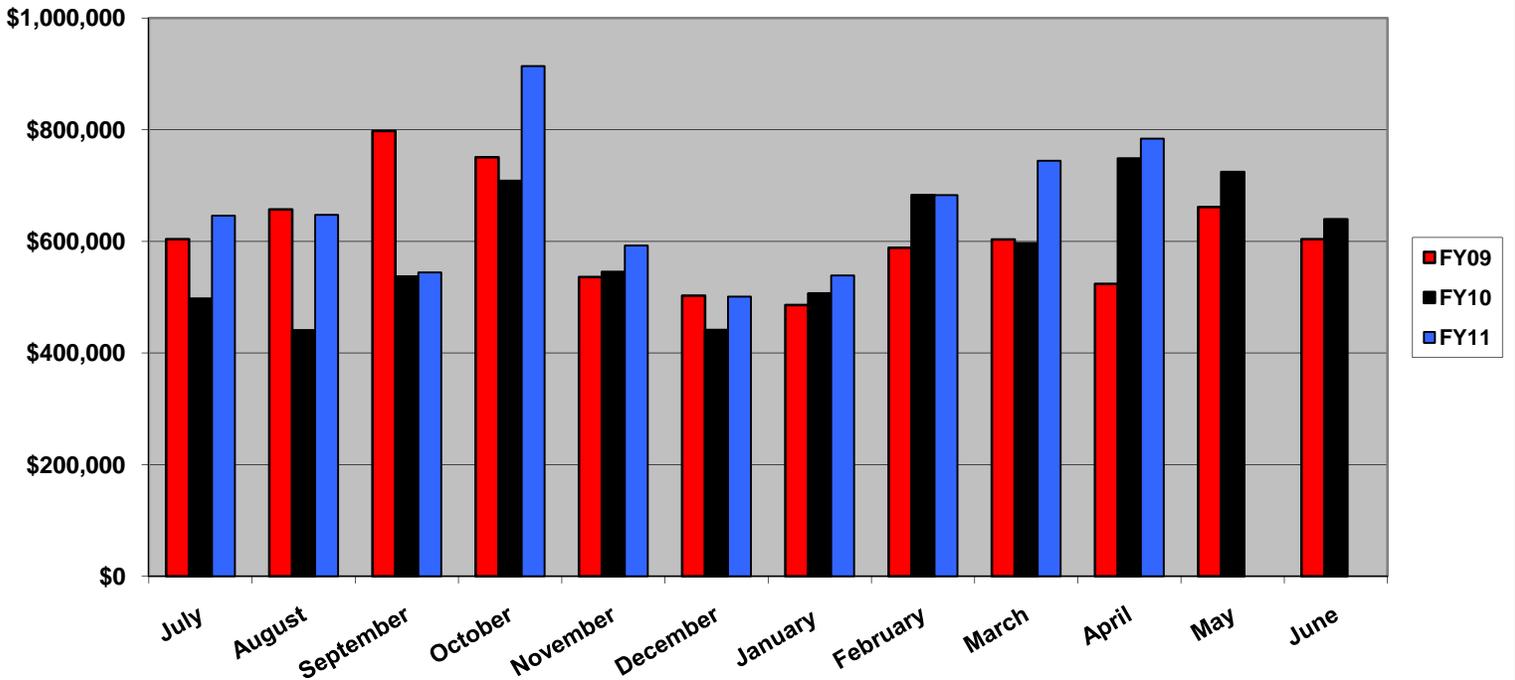
|                                | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017   | 2018   | Total     |
|--------------------------------|---------|---------|---------|---------|---------|---------|--------|--------|-----------|
| Charlotte Definite Room Nights | 327,720 | 254,761 | 109,958 | 95,691  | 13,483  | 0       | 5,937  | 0      | 807,550   |
| Pace Target                    | 299,825 | 177,541 | 105,995 | 65,166  | 35,860  | 17,607  | 8,060  | 3,735  | 713,789   |
| Pace Percentage                | 109%    | 143%    | 104%    | 147%    | 38%     | 0%      | 74%    | 0%     | 113%      |
| Total Demand Room Nights       | 951,748 | 861,123 | 513,202 | 375,351 | 224,796 | 154,519 | 54,464 | 51,292 | 3,186,495 |
| Lost Room Nights               | 624,028 | 606,362 | 403,244 | 279,660 | 211,313 | 154,519 | 48,527 | 51,292 | 2,378,945 |
| Conversion Percentage          | 34%     | 30%     | 21%     | 25%     | 6%      | 0%      | 11%    | 0%     | 25%       |
| Peer Set Conversion Percentage | 26%     | 22%     | 21%     | 19%     | 24%     | 23%     | 17%    | 18%    | 23%       |

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

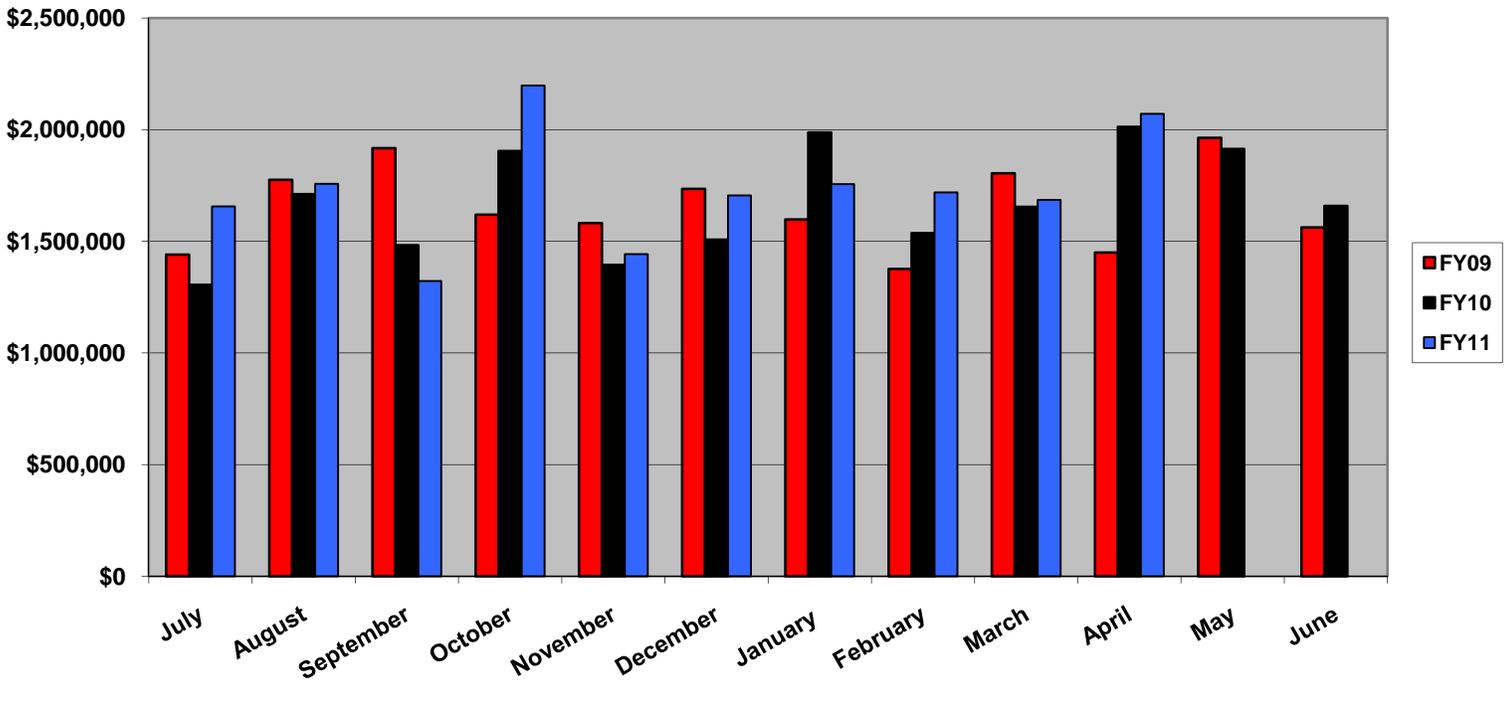
### 6% OCCUPANCY TAX COLLECTIONS



### 2% NASCAR HOF TAX COLLECTIONS



**1% PREPARED FOOD & BEVERAGE TAX COLLECTIONS**



**THE ECONOMY**  
**April 2011**

|                            | <b>2010</b> | <b>2011</b> | <b>% Change</b> |
|----------------------------|-------------|-------------|-----------------|
| Consumer Confidence Index  | 57.9        | 66.0        | 14.0%           |
| Consumer Price Index (CPI) | 218.009     | 224.906     | 3.2%            |
| Unemployment Rate          |             |             |                 |
| - National                 | 9.8%        | 9.0%        | -8.2%           |
| - State                    | 11.1%       | 9.7%        | -12.6%          |
| - Local                    | 11.8%       | 10.3%       | -12.7%          |



The Charlotte

# BAROMETER

Report



An Official Publication of the Charlotte Regional Visitors Authority

## JULY 2011

### National & International Business & Convention

#### BUSINESS TRAVEL GROWTH – THE PEGASUS VIEW

The latest edition of *The Pegasus View* shows that North American corporate travel bookings rebounded from April to an increase of +9.4% over prior year in May. Average daily rate (ADR) reached a new record growth level since the recession with an increase of +6.8% over prior year. This has led May revenue to increase +17.7% over prior year. Length of Stay (LOS) and booking lead times remain greater than last year for North

America also. The average number of nights per stay in May 2011 was 2.14. The average number of days trips were booked in advance of travel in May 2011 was 16.79. GDS forward-looking global data continues to reinforce corporate travel as the leading force of the industry's recovery. The data suggests gains will continue and that global booking growth will be ramping back up to its previous pace of increasing by approximately +20% over prior year in autumn. ADR will continue to grow at its strong and steady pace. LOS shows trip duration will grow through the summer, but may ease in the third quarter. As an indicator of group travel, it does not mean meetings and conference travel will decline. It only means that the pace of group business growth may ease. Other indicators, however, such as ADR and booking lead times continue to increase at a healthy pace. Overall, corporate travel demand is sound and stable, propelling industry revenue forward.

### Local Perspective

#### CHARLOTTE AREA LODGING – MAY SMITH TRAVEL RESEARCH

May **occupancy** was 66.1% in the Charlotte market, up 8.7% from May 2010. *May's occupancy was the highest in 36 months, dating back to May 2008 (66.2)%*. Year to date, occupancy is 60.9% in the Charlotte market, up 6.8% from the same period last year. By comparison, year to date occupancy is up 5.2% in the US (57.5%) and 5.1% in NC (54%).

664,309 **rooms** were **sold** in the Charlotte market during May, up 10.6% from May 2010. *That's the highest number of monthly rooms sold in our market in 3.5 years- since October of 2007 (669,011)*. Year to date, demand is up 8.7% in the Charlotte market. By comparison, year to date demand is up 6.1% in the US and 6.3% in NC.

May **average daily rate** (ADR) was \$84.66 in the Charlotte market, up 1.8% from May 2010. Year to date, ADR is \$84.00 in the market, up 3.4% from the same period last year. By comparison, year to date ADR is up 3.3% in the US (\$100.17) and up 2.4% in NC (\$79.79).

May **revenue per available room** (RevPAR) was \$55.96 in the Charlotte market, up 10.6% from May 2010. Year to date, RevPAR is \$51.12, up 10.4% from the same period last year. By comparison, YTD RevPAR is up 8.7% in the US (\$57.61) and up 7.6% in NC (\$43.06).

#### MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS-- FY11 THROUGH MAY

Mecklenburg County **6% occupancy tax collections** total \$22.2 million fiscal year 2011 through May, up 14% from the same period last fiscal year.

Mecklenburg County **2% NASCAR occupancy tax collections** total \$7.4 million fiscal year 2011 through May, also up 14% from the same period last fiscal year.

Mecklenburg County **1% prepared food & beverage tax collections** total \$19.3 million fiscal year 2011 through May, up 5% from the same period last fiscal year.

## National Leisure & Tourism

### NRA RESTAURANT PERFORMANCE INDEX

As a result of a dampened outlook among restaurant operators, the **National Restaurant Association's** comprehensive index of restaurant activity declined for the third consecutive month in June. The index stood at 99.5 in June, down 0.3 percent from May and the lowest index level since February. In addition, the RPI stood below 100 for the second consecutive month, which signifies contraction in the index of key industry indicators. Restaurant operators

reported a net decline in same-store sales for the third consecutive month in June, though the results were a modest improvement from the May performance. Restaurant operators also reported a net decline in customer traffic levels in June.

Source: National Restaurant Association

### WEAK DOLLAR GOOD NEWS FOR NORTH AMERICA'S TRAVEL MARKET

**Travel Mole** reports that the weak dollar which has hovered about US\$1.40 to the euro has helped promote tourism in two ways: by increasing foreign travel and by encouraging Americans to tend to travel more in the US. The fall of the dollar means international travelers can get more for their money by spending it in the US. But it has at the same time discouraged US travelers from visiting traditional overseas destinations. Hotels, restaurants, and agents in US tourist destinations are reporting higher numbers of international customers. However, the impact of the weak dollar does more than draw foreign tourists to the US. It is helping domestic travel as well. Marquee national parks such as Yellowstone and Yosemite are finding visitation is way upwards. As foreign travel has fallen, Yellowstone went from 3.1 million visitors in 2007 to 3.6 million last year. This domestic travel trend goes well beyond parks. More than US\$700 billion was spent on US travel in 2009, with \$610 spent by US residents, says the US Travel Association. Those numbers are going up, the association says. The only down side to foreign visitors is that the US is still lagging behind other nations. Over the past 10 years, the travel industry says international travel to the US has increased just 2 percent.

## Economy

### FIRST QUARTER GROSS DOMESTIC PRODUCT

According to the **US Bureau of Economic Analysis**, First Quarter 2011 Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 1.9% in the first quarter of 2011, (that is, from the fourth quarter to the first quarter). In the fourth quarter, real GDP increased 3.1%. In the

second estimate, the increase in real GDP was 1.8%.

## Media

### JUNE 2011 VOCUS

During June, **Vocus** identified 3,727 news items relating to key words tracked by CRVA. The top 5 categories mentioned for the month were: NASCAR Hall of Fame (59%), Charlotte Attractions (11%), CRVA (8%), Democratic National Convention (3%) and Charlotte Convention Center (3%). The top 5 media platforms for the month were: Online, Consumer

(49%), Online, News & Business (25%), Television Program (7%), Newspaper (6%) and Cable/Satellite – Network/Station (3%). A total of 84% of June's media hits took place outside the Charlotte Region.

### Sources for this Publication

- Mecklenburg County Tax Office
- National Restaurant Association
- Pegasus
- Smith Travel Research
- The TAP Report
- TravelMole
- Travel Smart News
- US Bureau of Economic Analysis
- US Department of Labor
- 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

## June 2011

### Charlotte Market Lodging Production

|                      | Charlotte Market | North Carolina | Competitive Set | United States | Top 25 |
|----------------------|------------------|----------------|-----------------|---------------|--------|
| May 2011 Occupancy % | 66.1             | 59.1           | 62.9            | 61.5          | 68.3   |
| % Change             | 8.7              | 4.7            | 5.3             | 4.6           | 4.9    |
| May 2011 ADR \$      | 84.66            | 83.51          | 92.73           | 101.54        | 126.44 |
| % Change             | 1.8              | 1.9            | 4.1             | 4.0           | 5.7    |
| May 2011 RevPAR \$   | 55.96            | 49.34          | 59.00           | 62.47         | 86.41  |
| % Change             | 10.6             | 6.7            | 9.5             | 8.8           | 10.9   |
| 2011 YTD Occupancy % | 60.9             | 54.0           | 58.2            | 57.5          | 65.2   |
| % Change             | 6.8              | 5.1            | 5.7             | 5.2           | 5.4    |
| 2011 YTD ADR \$      | 84.00            | 79.79          | 90.30           | 100.17        | 121.29 |
| % Change             | 3.4              | 2.4            | 2.2             | 3.3           | 4.2    |
| 2011 YTD RevPAR \$   | 51.12            | 43.06          | 52.94           | 57.61         | 79.08  |
| % Change             | 10.4             | 7.6            | 8.1             | 8.7           | 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 May | % Chg from May '10 | 2011 YTD  | YTD % Chg from '10 |
|------------------------|--------------|--------------------|-----------|--------------------|
| Passenger Enplanements | 1,762,659    | 7%                 | 7,957,827 | 8%                 |
| Passenger Deplanements | 1,767,690    | 7%                 | 7,995,068 | 8%                 |

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

### Visit Charlotte Definite Room Night Production

|                                   | Month of June | Change from June 2010 | FY 2011 YTD | YTD Chg (%) from FY10 |
|-----------------------------------|---------------|-----------------------|-------------|-----------------------|
| Total Room Night Production       | 6,181         | -44,995               | 455,254     | 100,625 (28%)         |
| Visitor Economic Development (\$) | 9,423,084     | -10,971,216           | 371,274,864 | 122,585,502 (49%)     |
| Number of Definite Bookings       | 16            | -1                    | 347         | 33 (11%)              |
| Average Size of Definite Bookings | 386           | -2,624                | 1,312       | 183 (16%)             |
| Total Attendance                  | 62,052        | 45,767                | 735,849     | 121,293 (20%)         |
| Convention Center GSF Booked      | 6,820,000     | 6,180,000             | 24,750,000  | 11,400,000 (85%)      |

### Visit Charlotte Lead Room Night Production

|                               | Month of June | Change from June 2010 | FY 2011 YTD | YTD Chg (%) from FY10 |
|-------------------------------|---------------|-----------------------|-------------|-----------------------|
| Total Room Night Production   | 55,714        | 8,112                 | 957,967     | -239,734 (-20%)       |
| Number of Lead Bookings       | 53            | 9                     | 770         | 86 (13%)              |
| Average Size of Lead Bookings | 1,051         | -31                   | 1,244       | -507 (-29%)           |

### Visit Charlotte Housing Bureau Production

|                             | Month of June | FY 2011 YTD | YTD% Chg from FY10 |
|-----------------------------|---------------|-------------|--------------------|
| Total Reservations Produced | 161           | 8,966       | 52%                |
| Total Room Nights Produced  | 550           | 35,896      | 160%               |

### Visit Charlotte Leisure Tourism Promotion & Production

|   | Month of June | FY 2011 YTD | YTD % Chg from FY10 |
|---|---------------|-------------|---------------------|
| Advertising Impressions                     | 16,412,269    | 83,464,975  | N/A                 |
| Visit Charlotte Web Site Visitors (Google ) | 116,678       | 1,097,914   | 4%                  |
| Motor Coach Group Bookings (Passengers)     | 508           | 6,704       | 30%                 |

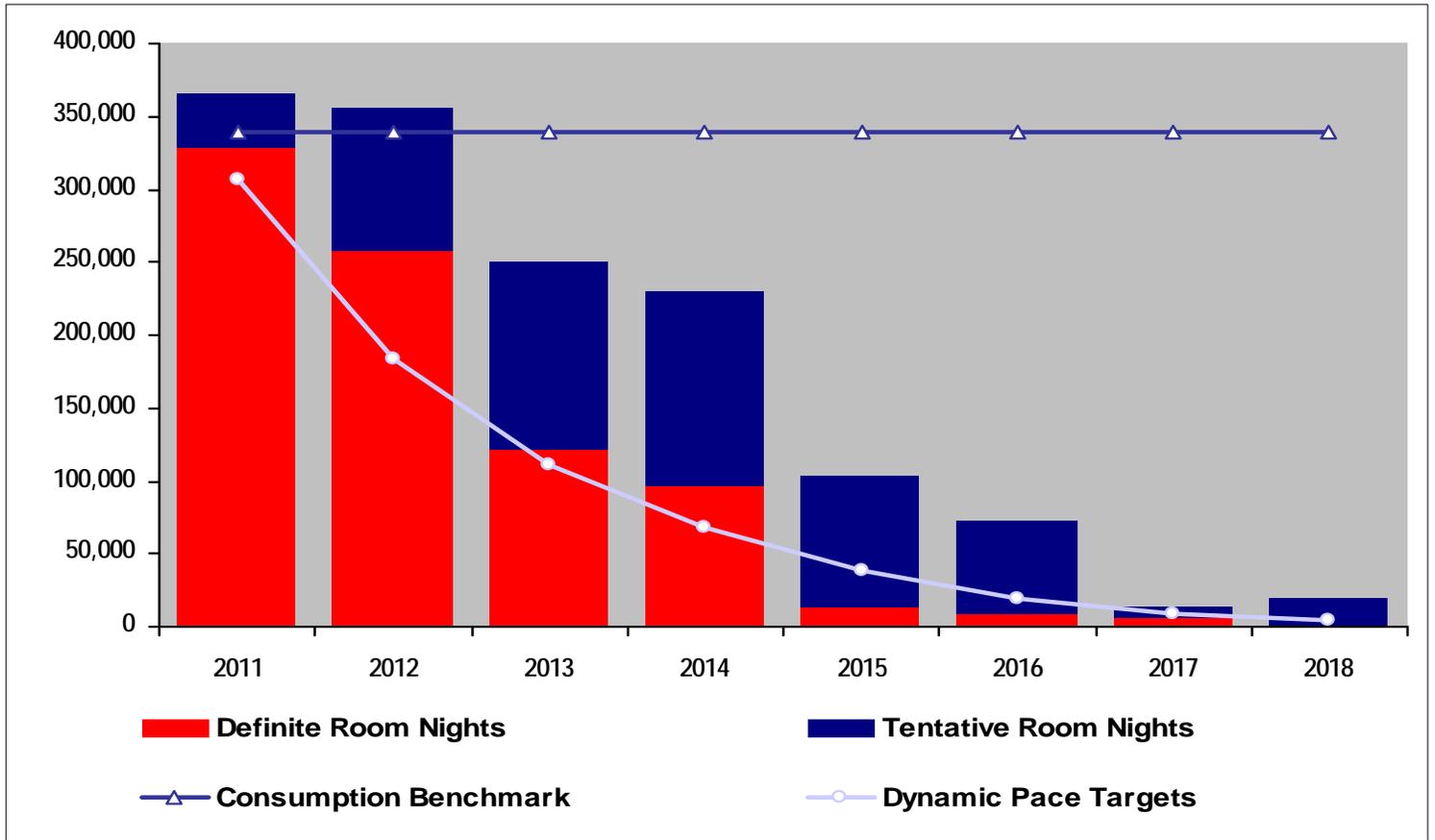
## DEFINITE BOOKINGS June 2011

| Charlotte Convention Center  |              |            |      |                     |                   |            |                         |
|--|--------------|------------|------|---------------------|-------------------|------------|-------------------------|
| Group Name   | Meeting Type | Event Date | Days | Exhibit Gross Sq Ft | Total Room Nights | Attend     | Visitor Econ. Dev. (\$) |
| American Association of State Highway and Transportation Officials | Meeting      | Oct '14    | 4    | 100,000             | 1,724             | 750        | 942,000                 |
| <b>Total</b>   |              |            |      | <b>100,000</b>      | <b>1,724</b>      | <b>750</b> | <b>942,000</b>          |

| Conference Sales   |            |      |                   |               |                         |  |
|--|------------|------|-------------------|---------------|-------------------------|--|
| Group Name   | Event Date | Days | Total Room Nights | Attendance    | Visitor Econ. Dev. (\$) |  |
| Confederation of North, Central American and Caribbean Association Football (CONCACAF) | Jun '11    | 1    | 1,779             | 58,000        | 5,829,000               |  |
| Deere & Company  | Jun '11    | 3    | 56                | 22            | 20,724                  |  |
| Creative Computing Solutions   | Jun '11    | 4    | 152               | 40            | 50,240                  |  |
| PricewaterhouseCoopers   | Jun '11    | 1    | 0                 | 600           | 188,400                 |  |
| Charlotte Soccer Academy ®   | Jun '11    | 2    | 200               | 750           | 201,000                 |  |
| National Gaming League   | Jul '11    | 3    | 40                | 250           | 235,500                 |  |
| Destination Marketing Association of NC ®  | Sep '11    | 1    | 85                | 85            | 26,690                  |  |
| AWK Military Reunion Group   | Oct '11    | 4    | 60                | 30            | 37,680                  |  |
| Assoc. of Pedestrian and Bicycle Professionals   | Oct '11    | 3    | 170               | 200           | 188,400                 |  |
| Destination Marketing Association  | Nov '11    | 4    | 165               | 150           | 188,400                 |  |
| Staff Development for Educators  | Dec '11    | 1    | 2                 | 75            | 23,550                  |  |
| Campus Crusade for Christ, MidSouth Region   | Jan '12    | 2    | 164               | 200           | 125,600                 |  |
| Meeting Professionals Int'l Carolinas Chapter ®  | Jul '12    | 1    | 110               | 150           | 47,100                  |  |
| Coca Cola Collectors Club, Inc.  | Jun '13    | 6    | 1,394             | 600           | 1,130,400               |  |
| Gamble Family  | Aug '13    | 4    | 80                | 150           | 188,400                 |  |
| <b>Total</b>   |            |      | <b>4,457</b>      | <b>61,302</b> | <b>8,481,084</b>        |  |
| <b>GRAND TOTAL</b>   |            |      | <b>6,181</b>      | <b>62,052</b> | <b>9,423,084</b>        |  |

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

## Eight Year Dynamic Room Night Pace Report (As of 6/1/11) Trends Analysis Projections, LLC

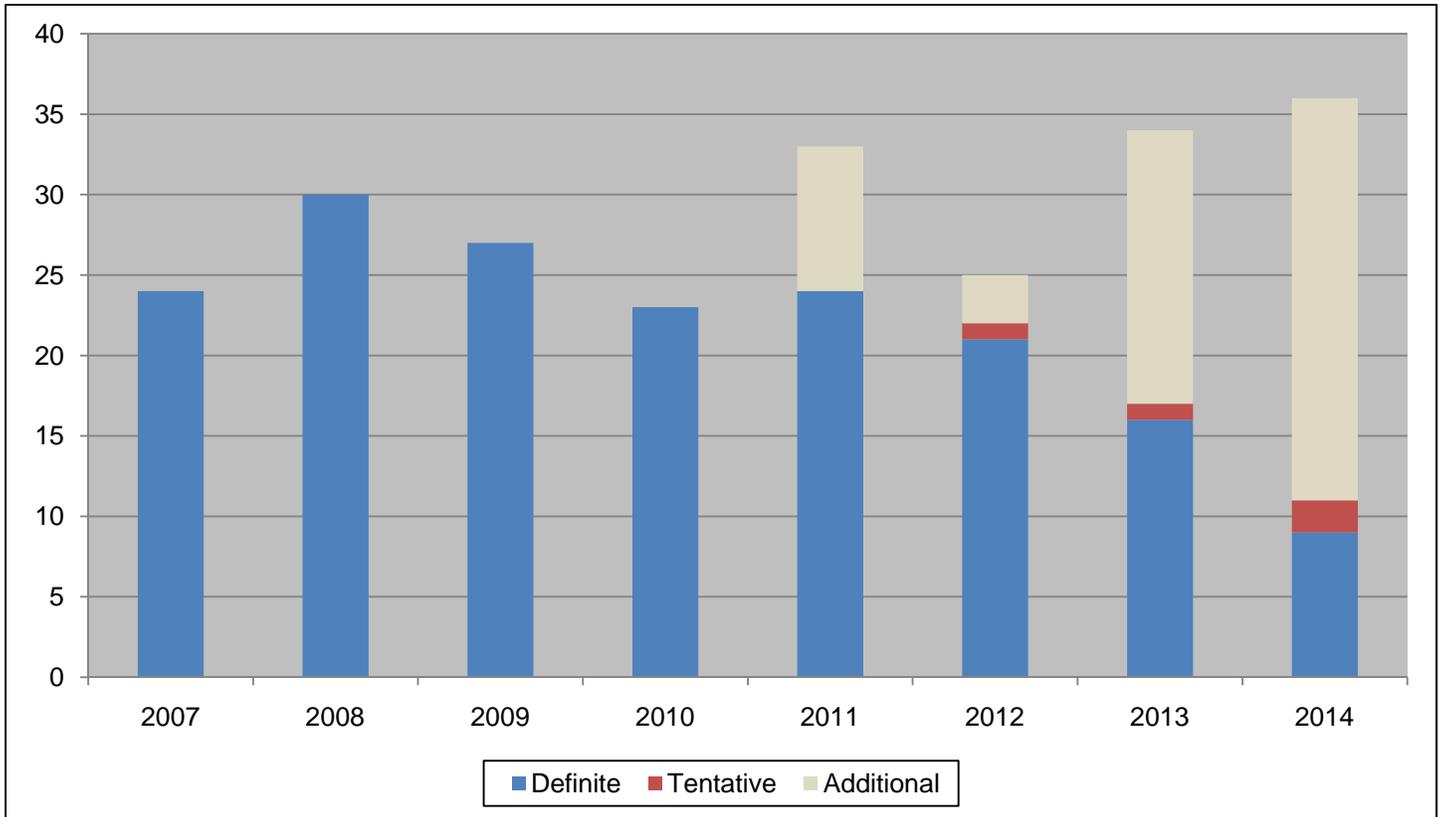


## Eight Year Dynamic Room Night Pace Report (As of 6/1/11) Trends Analysis Projections, LLC

|                                | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | Total     |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Charlotte Definite Room Nights | 329,514 | 257,420 | 121,638 | 96,475  | 13,483  | 9,465   | 5,937   | 0       | 838,932   |
| Pace Target                    | 306,028 | 183,902 | 111,114 | 68,294  | 38,261  | 19,232  | 8,450   | 4,083   | 739,364   |
| Pace Percentage                | 108%    | 140%    | 109%    | 141%    | 35%     | 49%     | 70%     | 0%      | 113%      |
| Tentative Room Nights          | 36,370  | 97,806  | 129,258 | 133,247 | 89,698  | 63,137  | 6,885   | 18,730  | 575,136   |
| Consumption Benchmark          | 333,990 | 333,990 | 333,990 | 333,990 | 333,990 | 333,990 | 333,990 | 333,990 | 2,671,920 |
| Peer Set Pace Percentage       | 96%     | 94%     | 88%     | 82%     | 115%    | 100%    | 87%     | 177%    | 94%       |

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

## Charlotte Convention Center Tradeshow & Convention Booking Outlook (As of 7/6/11)



## Charlotte Convention Center Tradeshow & Convention Booking Outlook (As of 7/6/11)

| Fiscal Year               | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------------------|------|------|------|------|------|------|------|------|
| <b>Definite Bookings</b>  | 24   | 30   | 27   | 23   | 24   | 21   | 16   | 9    |
| <b>Tentative Bookings</b> | 0    | 0    | 0    | 0    | 0    | 1    | 1    | 2    |
| <b>Subtotal</b>           | 24   | 30   | 27   | 23   | 24   | 22   | 17   | 11   |
| <b>Definite Target</b>    | 20   | 21   | 26   | 30   | 33   | 25*  | 34*  | 36*  |
| <b>Variance</b>           | 4    | 9    | 1    | -7   | -9   | -3   | -17  | -25  |

\*new goal beginning FY11

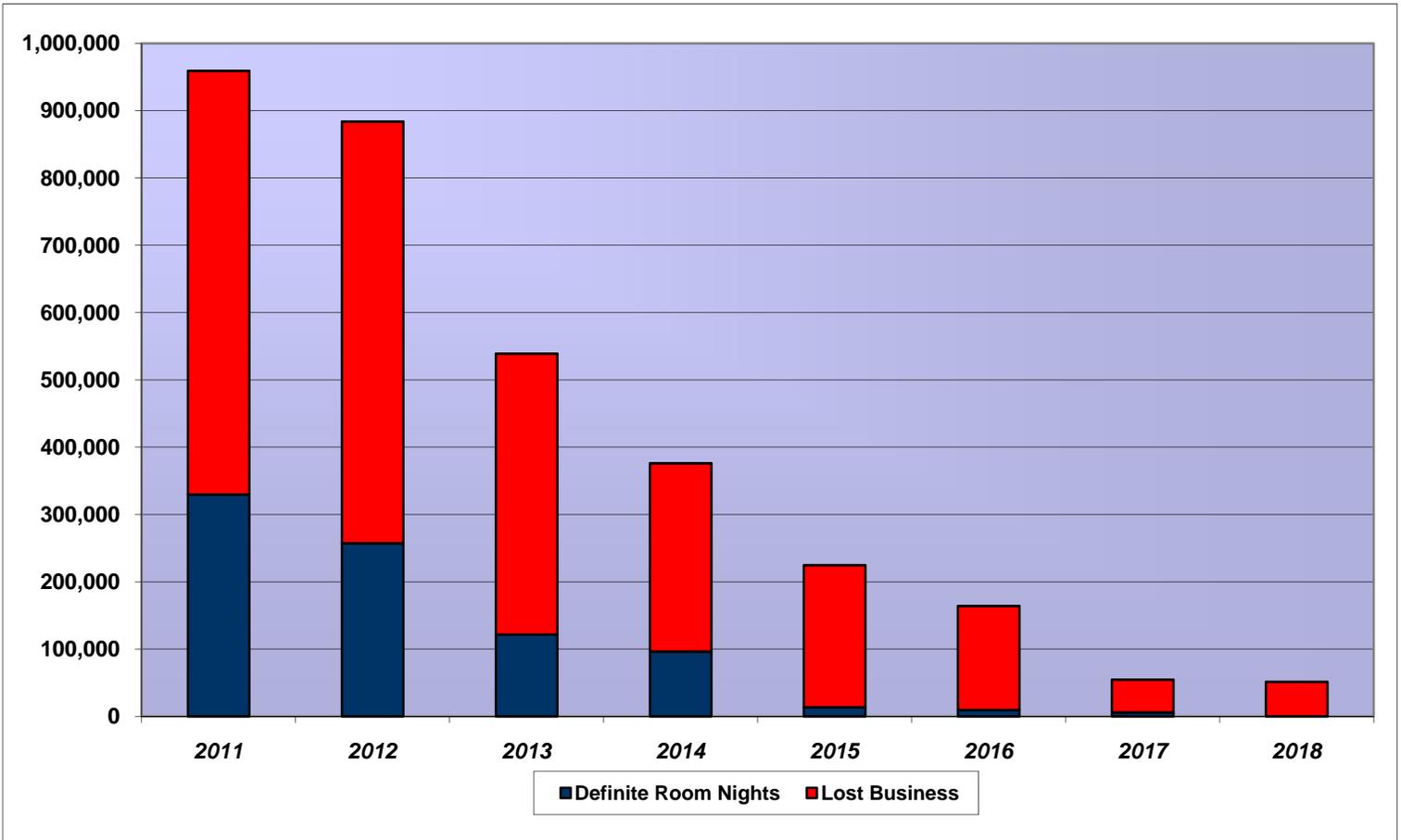
# HOSPITALITY INDUSTRY SALES ACTIVITIES

## June 2011

| <b>Site Visits</b>                                |              |                          |                         |
|---|--------------|--------------------------|-------------------------|
| <b>Group Name</b>                                 | <b>Venue</b> | <b>Total Room Nights</b> | <b>Total Attendance</b> |
| <b>DEFINITES</b>                                  |              |                          |                         |
| Gideons International (Jul 2011)                  | CCC          | 7,189                    | 4,000                   |
| American Society of Plumbing Engineers (Oct 2012) | CCC          | 4,566                    | 6,000                   |
| Geological Society of America (Nov 2012)          | CCC          | 8,379                    | 12,000                  |
| <b>TENTATIVES</b>                                 |              |                          |                         |
| Caterpillar Incorporated (Nov 2011)               | Hotel        | 100                      | 150                     |
| Advance Auto Parts (Apr 2012)                     | CCC          | 5,990                    | 4,500                   |
| North Carolina Dietetic Association (Apr 2012)    | Hotel        | 150                      | 200                     |
| Housing Partnership Network (Jun 2012)            | Hotel        | 260                      | 130                     |
| NC Home Builders Association (Sep 2012)           | CCC          | 570                      | 300                     |
| Abbott Diabetes Care (Feb 2013)                   | CCC MS       | 1,620                    | 500                     |
| Tree Care Industry Association (Nov 2013)         | CCC          | 2,400                    | 600                     |
| Alpha Kappa Alpha Sorority (Jul 2014)             | CCC          | 12,845                   | 8,000                   |
| Meeting Professionals International (Aug 2015)    | CCC          | 9,880                    | 2,500                   |
| Canadian Site Visit                               | TBD          | TBD                      | TBD                     |
| Carr's Holiday Familiarization Tour               | TBD          | TBD                      | TBD                     |

| <b>Trade Shows &amp; Events (attended by staff)</b> |                  |
|---|------------------|
| <b>Event Name</b>                                   | <b>Location</b>  |
| Americas Meetings & Events Exhibitions              | Baltimore, MD    |
| Association Executives of North Carolina            | Wilmington, NC   |
| Destination Showcase                                | Chicago, IL      |
| Kappa Alpha Psi                                     | Indianapolis, IN |
| Professional Convention Management Association      | Baltimore, MD    |
| Sales Calls   | Washington, DC   |
| TAP Dance   | Louisville, KY   |
| Travel Blog Exchange Conference                     | Vancouver, BC    |
| Wound, Ostomy & Continence Nurses Society           | New Orleans, LA  |

## Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 6/1/11) Trends Analysis Projections, LLC

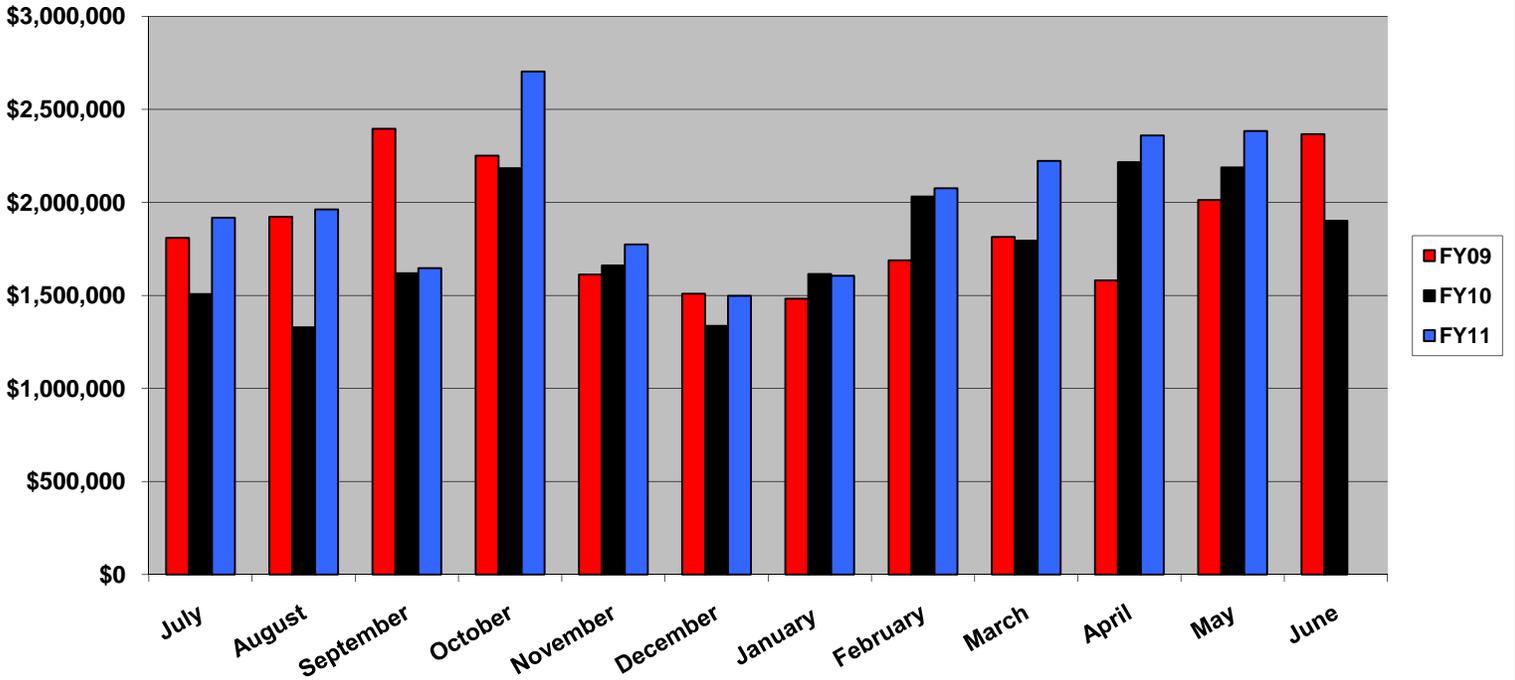


## Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 6/1/11) Trends Analysis Projections, LLC

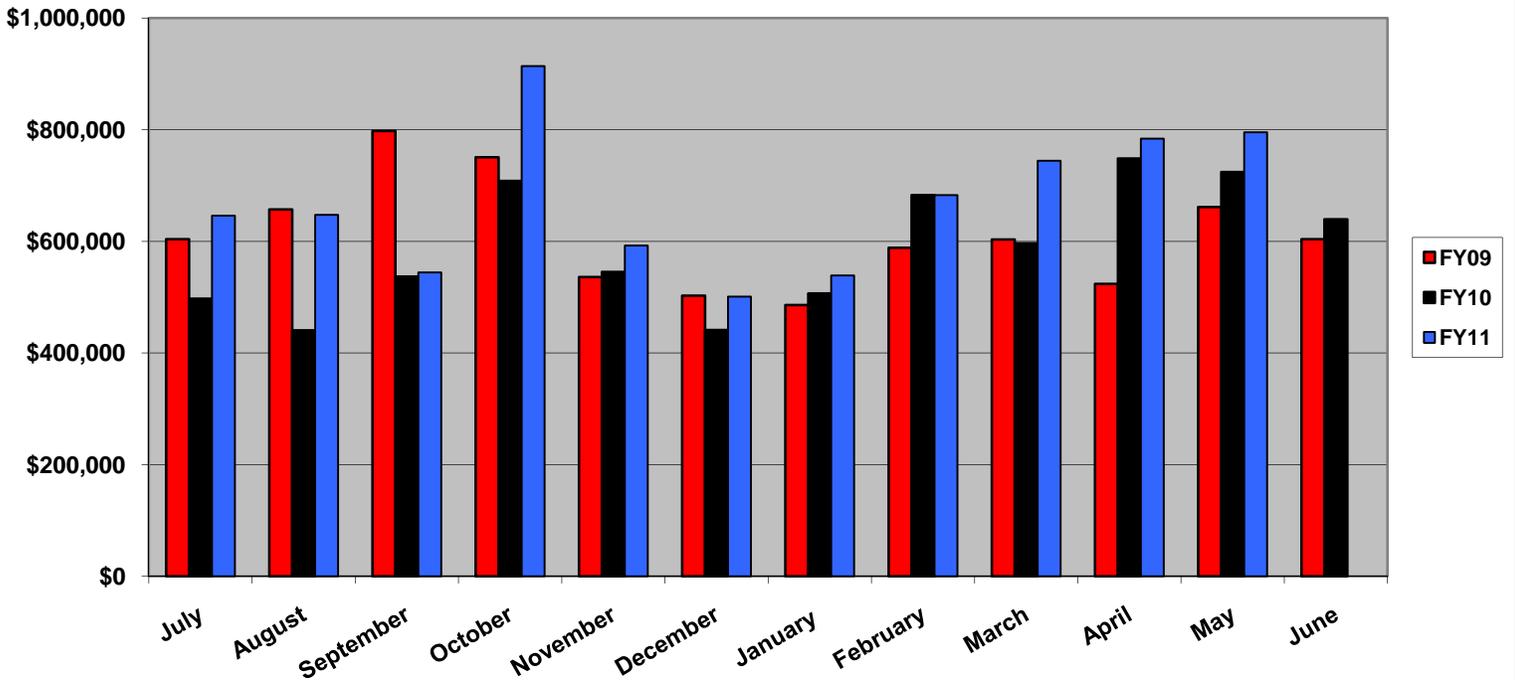
|                                | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017   | 2018   | Total     |
|--------------------------------|---------|---------|---------|---------|---------|---------|--------|--------|-----------|
| Charlotte Definite Room Nights | 329,514 | 257,420 | 121,638 | 96,475  | 13,483  | 9,465   | 5,937  | 0      | 833,932   |
| Pace Target                    | 306,028 | 183,902 | 111,114 | 68,294  | 38,261  | 19,232  | 8,450  | 4,083  | 739,364   |
| Pace Percentage                | 108%    | 140%    | 109%    | 141%    | 35%     | 49%     | 70%    | 0%     | 113%      |
| Total Demand Room Nights       | 959,333 | 883,964 | 539,061 | 376,135 | 224,796 | 163,984 | 54,464 | 51,292 | 3,253,029 |
| Lost Room Nights               | 629,813 | 626,544 | 417,423 | 279,660 | 211,313 | 154,519 | 48,527 | 51,292 | 2,419,097 |
| Conversion Percentage          | 34%     | 29%     | 23%     | 26%     | 6%      | 6%      | 11%    | 0%     | 26%       |
| Peer Set Conversion Percentage | 26%     | 22%     | 21%     | 19%     | 24%     | 23%     | 17%    | 18%    | 23%       |

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

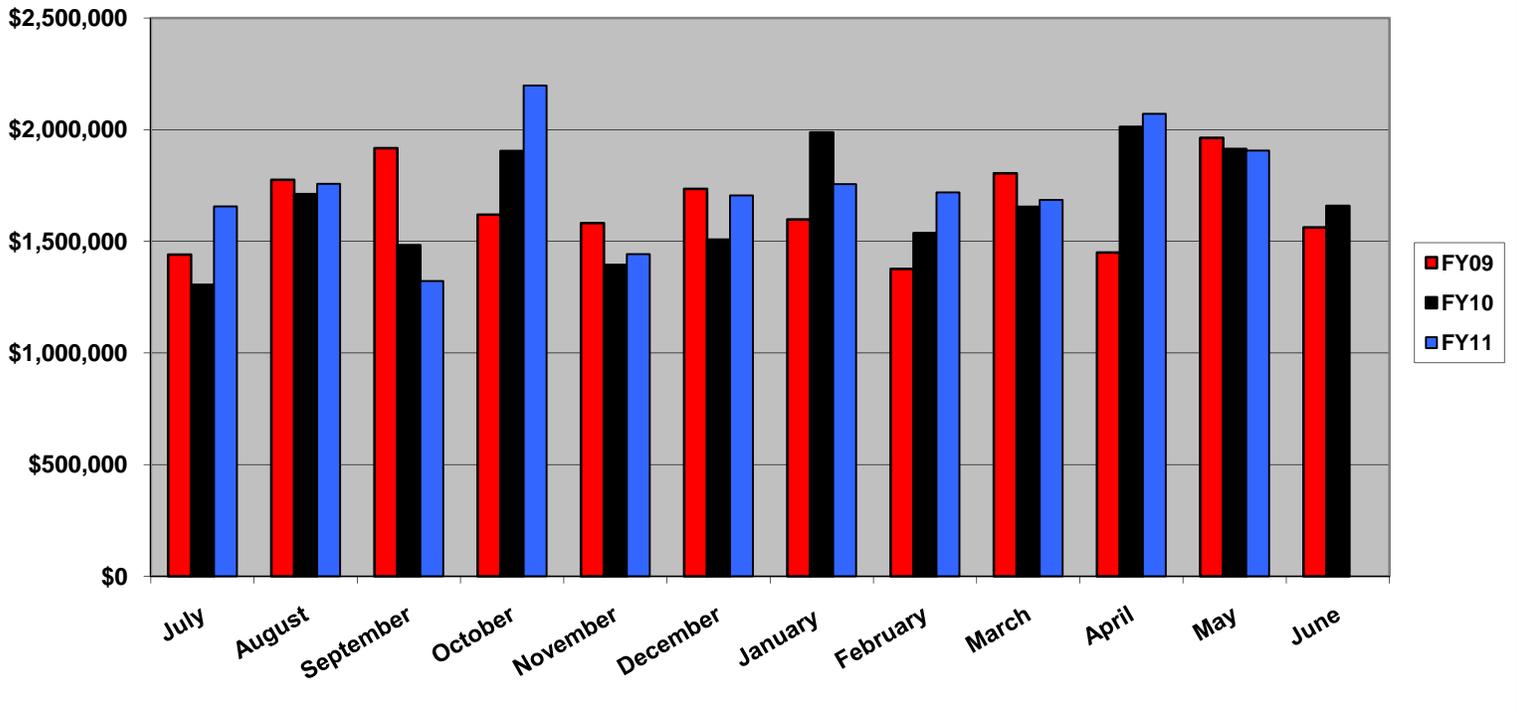
### 6% OCCUPANCY TAX COLLECTIONS



### 2% NASCAR HOF TAX COLLECTIONS



**1% PREPARED FOOD & BEVERAGE TAX COLLECTIONS**



**THE ECONOMY**  
**May 2011**

|                            | <b>2010</b> | <b>2011</b> | <b>% Change</b> |
|----------------------------|-------------|-------------|-----------------|
| Consumer Confidence Index  | 62.7        | 61.7        | -1.6%           |
| Consumer Price Index (CPI) | 218,178     | 225,964     | 3.6%            |
| Unemployment Rate          |             |             |                 |
| - National                 | 9.6         | 9.1         | -5.2%           |
| - State                    | 10.8        | 9.7         | -10.2%          |
| - Local                    | 11.7        | 10.4        | -11.1%          |