COMMITTEE AGENDA TOPICS

I. Subject: Mobile Food Vendors
Action: Provide an update on the recently adopted Text Amendment to the City's Zoning Ordinance that regulates mobile food vendors. This presentation will include background information on current regulations, industry trends and enforcement activity.

II. Subject: Business Corridor Revitalization Strategy Update
Action: Receive draft recommendations from staff for updating program geography and current grant programs. Committee will be asked to provide direction on proposed new areas of focus.

III. Subject: CRVA September Barometer Report– (Information Only – Attachment)

COMMITTEE INFORMATION

Present: James Mitchell, Patrick Cannon, Jason Burgess, Andy Dulin and Patsy Kinsey
Time: 3:30pm -5:00pm

ATTACHMENTS

1. Mobile Food Vendor Presentation
2. FY12 Update to the Business Corridor Revitalization Strategy Presentation

DISCUSSION HIGHLIGHTS

I. Subject: Mobile Food Vendors

Chairman James Mitchell: We have two items on the agenda today, Mobile Food Vendors and an update on the Business Corridor Revitalization Strategy. I would like to invite the District 5 Representative to join us at the table; welcome Ms. Carter. We are also happy to have Mr. Eric Campbell, Assistant City Manager joining us today. Mr. Campbell is sitting in for Ron Kimble. The two agenda items are for information with no action needed today. I have to leave for a few minutes and Vice Chairman Cannon will be conducting the meeting; I will be back shortly. I will turn this over to Eric and two great staff persons that are going to give us a presentation. I do know that there is a special interest in this topic so I will be recognizing Nancy Carter on this particular topic as well. So with that Vice Chair, I will turn it over to you.

Cannon: In terms of order or process, when the presentations are made by staff, would you like to have Councilmember Carter recognized at that time?

Mitchell: Yes.

Cannon: So with that Mr. Campbell, would you start the first agenda item?

Campbell: Thank you Mayor Pro Tem. Just a quick introduction; this is a referral made by Council to review the City's current Mobile Food Vendor Ordinance. Many of you may recall a couple of years ago this issue actually came through the Community Safety Committee which I actually staff ironically. What we will do is basically review the status. There is no recommended action by the staff at this point but we will go through and update you on the current ordinance.

Young: For the record, I am Katrina Young, Zoning Administrator for the City of Charlotte. First, we will start with a little project background. In 2006, the mobile food vendors (MFV) and the City Code Enforcement staff raised concerns about the current standards regulating MFV. Those concerns were identified and included that the vendor could locate at a site for up to 12 times a year for no longer than a five day period at a time. Each time the vendor located on a site, a new permit was required as well as two inspections. One to locate on site and one to verify that the use was removed from the site. The second concern was that the inspection resources required to enforce those regulations; again because it required two inspections every time there was a permit issued. Therefore, staff was constantly inspecting the sites. Repacking and moving every five days was burdensome and costly for the vendor. There was no definition in the Zoning Ordinance for the mobile food vendor. We did receive complaints from CMPD and community groups about trash, traffic, safety concerns with robbery targets, noise, drinking, loitering and interference with adjacent businesses that was spilling from the mobile food vendor operations.

Cannon: Ms. Young, is there a breakout of the number of complaints that were made and any specific areas that we got from the CMPD?

Young: We requested that information from CMPD but we do not have it.

Cannon: When did you make that request?

Young: We made this last request last week. We made the original request after the original presentation to Council; there was no response at the time. There was no real way to identify especially with the crime if it was from the mobile food vendor or if it was the area. They did have some specific situations where a vendor was robbed; the concern expressed to Council at the time was that it is well known that there are large amounts of money so the vendors became actual targets for robberies.

Campbell: Ms. Young is right; we talked about that the first time this item was reviewed. Much of the information was antidotal; they didn't have a lot of the quantified information. Basically because they are responsible for each specific issue, if it was a robbery, it was a robbery. If it was another issue, it was logged in differently. So it was difficult for them to go back and quantify specifically what issues were related to the victim being a MFV or not being one. Because it was logged by requirements so it was difficult for them to go back and say this robbery occurred at the MFV site.

Cannon: I understand that but my question was beyond that. What was the number of complaints and where did they take place in terms of a particular neighborhood, portion of the City? That request was made, as Ms. Young stated, some time ago. I made the request to get

some understanding of the public safety side of things. It has been just lingering in the wind and we have no real definitive information which concerns me because some of those positions that some members of this body took or previous body took happened to be centered around public safety issues. It concerns me once again that if somebody made a decision based on public safety and we can't go to that information that we need to have in order to be able to understand it more clearly. That is a problem from where I sit; now it may not be a problem for others, but it concerns me that this information is being delayed as long has it has been.

Carter: Mayor Pro Tem the research has been done by going on the CMPD website and searching areas where the vendors have been in the last six months and we have statements for you. If you would like to see that information, we can present it to you.

Cannon: At some point, we would like to take that from you; I know we have had some discussions. I think we will want to hold off on any presentation that could be made. We just want to have the information in hand.

Dulin: I would like to hear what our staff has to do in the presentation before we move on to other things.

Cannon: I believe that is the proper order. Ms. Carter if that is o.k. with you, we go ahead with the presentation.

Young: I will add that the presentation is being made to City Council and through the stakeholder process. We did have neighbors, but just the ones on the eastside that did come and speak to different types of issues and crimes that they were aware of in area. There was a large turnout when it came to that particular issue.

Cannon: Thank you.

Young: Before recommending any changes to the Zoning Ordinance, a stakeholder group was formed in August of 2007 to discuss these issues. The group was comprised of mobile food vendors, neighborhood leaders, citizens and staff from Neighborhood & Business Services Code Enforcement, CMPD, and Mecklenburg County Environmental Health. The stakeholders held three meetings between August 2007 and October 2007. At the conclusion of a stakeholder process, staff filed the Text Amendment with the proposed changes. The Community Safety Committee met twice to discuss the petition and to clarify issues raised at the July 28th Public Hearing on the proposed changes. The Committee voted unanimously on September 29, 2008 to recommend the Zoning Text Amendment to the full City Council for approval. The City Council approved the regulations for mobile food vendors on November 24, 2008. The City Council was asked to revisit the mobile food vendor ordinance at its June 13, 2011 meeting and referred the issue to the Economic Development Committee, and that is why we are here today. The next slide, number six, is a comparison of what was in effect prior to the adoption of our current code on November 24, 2008. Because we did not have mobile food vendors in the Zoning ordinance, we used Code Section 12.534, which were periodic retail sales off premise. This again allows for 12 sales on site per year and then they were allowed to stay on the site for five days. So this ended up being a total of about 60 days per year that the mobile food vendor could be at one location. After the regulation, the ordinance allows for each permit to go from five days to 30 days and instead of having a total of 60 days per year. The mobile food vendor gained an additional 30 days then they were at the site 90 days

per year. There were some additional requirements so that Code Enforcement could be aware that the vendor did have the proper permits and they were required to post their proper placards in the vehicle. They also have to provide for parking; that was one of the issues that came out of the stakeholder process was the issue of traffic. There were limited parking spaces at a lot of the locations causing the traffic to spill out into major thoroughfares such as South Boulevard, creating some traffic issues. There can be no ingress/egress access to a Class V (collector), Class VI (local), or Class VI-L (cul-de-sac) street. The requirement states that the mobile food vending service shall provide one parking space per 250 square feet of the mobile food vending unit. A minimum of 400 feet separation is required from any other mobile food vendor service and a minimum of 400 feet separation to a residential use. There was no change in the hours of operation prior to November 2008, which shall be between 8:00 a.m. and 9:00 p.m. I would like to talk a little bit about the trends we are seeing from the mobile food vending operations in Charlotte. The number of mobile vendors operation in Charlotte has decreased. The reduction in the number of vendors may be attributed to several factors including the general economic downturn where a lot of businesses have struggled. They are now required to get the property owner permission and the permitting and separation requirements. The GIS map on slide nine shows along Albemarle Road the possible locations that vendors could locate in this particular area; you can see there are quite a few. Typically, if the commercial strip is not near residential then you are going to be able to allow mobile food vendors to locate. The second block shows that if you are near residential districts then the number of location that a mobile food vendor can locate decreases significantly. Just depending on the area of the City where you are is going to determine the number of mobile food venders that you will see.

Krise: In the latter half of 2008 as the Council and the Committee were considering that Text Amendment, Code Enforcement was assigned to do a canvas and look at and evaluate the status in the mobile food vendors. We took a three-week period of time, and during that three-week period, we identified 72 vendors that were in violation of the existing mobile food vendor regulations. Most of which were related to permitting violations and hours of operation. During that three-week period of time, City Code Enforcement issued 13 Zoning use permits again; that was the five-day permits, but there were 13 issued during that period. In comparison in the last 30 months since the Text Amendment was enacted in November of 2008, we have had 61 complaints. Of those 61 complaints, 13 were unjustified we had 28 notices of violations that we issued, 17 warning citations issued and three locations where we had issued citations for repeat offenders. That is a very small number; 61 complaints in 30 months additionally in that 30-month time, we issued 107 mobile food permits; those were 30-day permits. It's very difficult to delineate that it could be repeat vendors or repeat locations; I could not break that out. That concludes our presentation.

Dulin: In the last 30 months, what did the complaints look like before the ordinance changed?

Krise: I don't have that specific information with me; we can attempt to do that. It's very difficult to track based on our information system we do not have that broken out and marked as mobile food vendors. With the consolidation coming over from the County, pulling that data was extremely difficult.

Dulin: That would be interesting to see but if we can't get it we can't get it; 61 investigations in the last 30 months and you say that this is a small number. To me, that seems like a large number.

Krise: I said that is a small number because in a three week period of time to have identified 72 violations prior to then and go to the next 30 months, you have 61 complaints. That is where I was drawing that conclusion from.

Dulin: You didn't have any problem getting this information for this 30 month period; seems to me you could have gotten the information for that three week period. Am I missing anything?

Kinsey: I think maybe that was prior to the new ordinance; I think they are tracking it now.

Abernethy: I think I can answer your question. The review that we did was prior to the ordinance change. When Ben talks about the City-wide canvas between September 15th and October 5th that was done at Council's request. To answer your question Councilman Dulin, the nature of the violations were even prior to that were permitting violations and hours of operations. Those were the two primary categories; operating without a permit and the hours of operation going beyond the 9:00 p.m. threshold. What I am telling you is that was the nature of the problem even before we did the canvas.

Dulin: Then we enacted the new ordinance and all of a sudden we get to the 30-month data?

Abernethy: When we enacted the new ordinance system, we grabbed the data from the County policy system. That wasn't long after we had taken Zoning over from the County. We were dealing with their system when you passed the new ordinance. I made sure that there was data on this so when we set back down again we would have data. So that is how you get to the last 30 months with City data.

Dulin: Walter, I am still on the 61 complaints; those are responses to a complaint that we have gotten. They are not stopping in at the mobile food truck on South Boulevard if they are just driving down the road.

Abernethy: They can pick these up at field observations. They can see something that is not right because as Katrina pointed out, we do ask them to post the placard. We developed the placard system so that when they rode by they could see whether they were really permitted so that is an important point. They have the option of stopping in and doing a field inspection, but the 61 that you see here we have put together a system when we passed the ordinance changes so that I can track better. Those are complaints over that 30-month period.

Dulin: Thank you.

Cannon: Walter, while you are here, you would have documented where these violations would have occurred and the citations were issued. You have all of that registered, correct?

Abernethy: We have these as Zoning use permits. I would have to go back in and dig pretty deep to find out specifically. I can generally give you where these issues were taking place because they are geographically consistent. We can go back in and take a look and see if you needed specific locations.

Cannon: General would be fine if you can get that.

Abernethy: It is my understanding most of them are on the eastside. A lot of these complaints and problems manifested along the Central Avenue area and Albemarle Road; there were other issues on South Tryon Street, I believe.

Krise: The corridors North Tryon, Albemarle, Central, and some on South Boulevard.

Dulin: Before the ordinance the time schedule between September 15th and October 5th and before that but in that section we had 72 violations? How many trucks were mobile food locations did we have in the City? After the ordinance, that number would have come down so the 61 complaints were probably generated by a far fewer number of locations. That number is rounded up or down I guess; 72 were created in that time schedule with a larger fleet. We change the ordinance and we get 61 complaints? But the fleet is almost zero; the general number of food vendors dropped to five, ten, 15?

Abernethy: It's more geographic. I can't give you that exact number, but the permitting piece as far as some of the areas like Central Avenue where there were a fairly high number of vendors, that number has dropped substantially.

Dulin: I just think that is interesting. He says that is a small number but that small number is created by a smaller fleet. If there were only four trucks then that is a big number.

Abernethy: If you notice that statistic is valid; there were only three citations issued to repeat offenders in that group. That is telling you that at least there were some vendors out there during that period. The 61 doesn't go over a 30-month period, but if you do it twice, we tracked it as a repeat offender.

Dulin: That is still a bigger number than I would have thought; you would almost have to say that there were 58 with three repeats.

Cannon: Are there any other questions from the Committee before we move to Councilmember Carter? The hours of operation, there was no change?

Abernethy: That is correct.

Cannon: I asked that question because the calls and e-mails that I have been getting are about the idea that the hour of 8:00 a.m. is too late and the hour of 9:00 p.m. is too early. These suggestions are coming from those that would say that they are out on maybe a construction site; folks want to come in early. So the time the workers get ready go to work and the time the vendors can do business conflict. So if work starts at 8:00a.m., we will make it 7:30 a.m. to be on a construction site. That gives a small business person the opportunity to gain business. On the flipside at 9:00a.m., it would be later but I want to have more discussion about that. I want to be certain that that time never changed. Was there any level of discussion with the previous Council about time changes? If so, what was the history of that?

Dulin: We had a lot of discussions on that and one of the violations was when the trucks would stay or sell food until midnight. We had folks in the neighborhood saying that they did not want the car traffic, noise or loitering. So it's 9:00p.m. now? Are we going to enforce 9:00p.m.? I have never been sold on the point that we have to stay open later to serve the post construction traffic. Construction jobs shut down at 4:00p.m., 5:00 p.m. or at least by dark; 9:00p.m. is way after dark in the winter time. I would have liked to have reduced those hours, but we kept it and are now holding folks to the 9:00p.m. close out.

Cannon: Let me provide clarity on that point; it would have been missing business that might have been coming from a basketball game or from any late night activity; people catching the light rail after leaving the Arena so that would be a part of that.

Dulin: The example they used is construction traffic, getting off work.

Kinsey: I think we have to remember that these are stationary trucks and they don't go around to construction sites. They may have a stationary site there but they don't travel so people come to them rather them going to construction sites.

Cannon: So they would land a site where the greater market happens to be that they can actually serve? Are there any other questions from Committee? Alright Councilmember Carter, this is something that I know is near and dear to you and I know that you want to have more discussions around it. We also want to welcome Chairman Mitchell back to the table.

Carter: This has been an issue for me because it is small business and 90% of the businesses in Charlotte are small business. Many businessmen start with what they know, and in this case, it is mobile food service. That is a premise when building a small business in Charlotte; you start with what you know and grow into an entrepreneur. Looking at the continuum to me, this is grassroots growing our community getting an opportunity for someone that is in the community. This is not specifically cultural; we are looking at vendors who are a different ethnic background who are trying to get into a business. It's not just Hispanic, not just African-American, not just immigrants; it's a place to do business. The concerns that I have had been somewhat addressed by staff. Thank you for this research. When you look at the map of Central Avenue, there is something like 15 sites that could be presented as potential sites until you get to the barrier of closeness to Reddman Road then it reduces to four. If you have to move every so often, you have essentially no business for three quarters of the year. There is a real challenge when you look at these barriers. One of the things that I want to project to the Committee that might provide a point of discussion is that 400 foot separation. If you are talking about crossing a street, the street is not a significant divide from residences. So do you count the residences on the other side of the street? Is a strip mall separating residences from the operation of the vendor a significant barrier? I am suggesting that this is something that we could probably discuss. What are the definitions of the sites where people work? Are there other barriers than 400 feet that we could consider? The permits, it's difficult for people that are working from 7:00a.m. to 9:00p.m. to come down for permits. It is a hardship and cost for business people who are close to the bone when they are making their profits to support their family. So it's cost and sequence of having to apply for those permits that have been the discussion points for the people with whom I have spoken. The longer stay at a certain stops sites an extension of the permit. The timing when we were discussing this issue before we looked at sunrise to sunset as a timeframe; that provides for greater service to people who have unusual hours or culturally acclimated to later hours for food. That to me is a very important issue to point out; when do you want to eat. If you are served at 5:00p.m. and you are accustomed to eating at 10:00p.m., that is not following in your cycle so that to me is a point that we should be looking at. When we were discussing this beforehand, it was stated that there were between 60 and 70 vendors on the streets. I have been told that that has been reduced to six or seven in the whole City.

Cannon: Six to Seven from 60 to 70 vendors?

Carter: Yes, we have gone down to 10% of what used to serve our population; that is a significant difference. To Mr. Dulin's point about problems, that is 1.6 complaints per month and that is really insignificant when you look at what comes across Walter's desk. The statistics

that were done, and I did e-mail this to the Committee Members, about the happenstance of times around the areas and they are much reduced. The theory and the point that is made for you today is "The Streets of Dreams" eyes on the community do reduce crimes in the areas and they are a compliment to what happens within the barriers of our neighborhoods. If people are out walking, biking or eating, they are participating in street life and those numbers of people reduces crime. I don't have the latest statistics of victimization; lack of using banks, large amounts of cash. I have a feeling that has been significantly reduced in the last several years. I have not heard of that as being the greater problem that it used to be on our streets. So what I am saying is that there is probably less vulnerability in the population as we look at these sites. One other point that I would like to bring up is that this has probably increased the cost for our service. We have added another activity to our Code Enforcement and the repetitive nature and the rapid repetition of license issues and the verification of these regulations have increased the need for Code Enforcement. Looking at balanced services, is this where want our Code Enforcement to be? Do we want to adjust this to some degree so that there is less service demanded in this area and more attention paid to derelict properties? I am trying to look at this financially; improving business situation, improving City services, improving opportunities. Crime, if it does happen to see if it is prevented by the presence, looking at what we can do to improve or to mitigate always taking into account our neighbor's needs. That bridge that we have to build in our neighborhoods; make sure that our neighbors are protected in our wedges. If it is on a business corridor, what are the divisions that we need to look at? Streets, shopping centers; are those really significant barriers? I think that there are changes in what has happened and I think that we understand now that this plays a significant role in a vital city. I want to bring up one more time the discrimination because we have uptown vendors but nowhere else do we have that benefit. If it is good for uptown, why is it not good for our other neighborhood centers? We have vacant lots that are City owned where we could have a $1.00 rent and have activities on those vacant lots. I think this is something that we do need to look at. We promised when we enacted this ordinance that we would review it. I am very grateful to Council and this Committee for looking at it again. These are the reasons that I think that we should reconsider what we have done and make it better for everyone concerned. Thank you for this opportunity.

Cannon: Thank you Ms. Carter for your presentation. I think the reason that this has come before this Committee is not so much about public safety issues as much as it is about how we continue to grow small businesses. I think what I hear Ms. Carter saying is there's a way that we can explore some level of work out to grow small business more than what is happening in this case where they have been reduced. I don't know the answer to that, but I think we can come up with something around this table to figure it out; it won't happen in this meeting. That will come with working with staff to figure out a way if it can be done or not. Ms. Carter, I will tell you that the calls and e-mails I received to your point actually did not come from anybody that was Hispanic. They came from people who were white and they came from people who were black. One would think this was solely an issue that deals with a segment of our population and it isn't; it's a community issue. People want to know how they can get back to work and in the time that makes sense to

them and only on the construction side. Andy that is what those comments were really about. How do we make that work? Can we look at what can be done for businesses that wish to vend?

Mitchell: Nancy, I really appreciate your passion. Was there any other information? We have the handout, "Streets of Dreams".

Carter: We do have the economic viability study in this "Streets of Dreams" analysis. They talk about the duration of the permits and how much of a problem it is. There are statistics from larger cities with whom we are competing; it exposes how they deal. I have tried to reduce it to several pages. One issue that is of great concern across the country that we have never addressed is the competition with restaurants. Our restaurants seem to welcome; it's that old statement of put one gas station across from another gas station apparently it brings in business for everybody.

Dulin: I disagree with the stand or fixed restaurant that are paying leases, paying rent, paying property owners association fees in their particular site. I disagree that they are welcoming these mobile competition; that is not paying land lease or rent, is not paying electricity for street lights or parking lights.

Carter: These vendors do pay rent for the land that they use so they are paying someone for that privilege and they are having licenses and permits as well that they pay to the City.

Mitchell: Let me do this because I know we have one more agenda item. The instruction that Council gave us was to review this; I have six items that Nancy has brought up. What I would like to do Committee and staff if you don't mind is report back at a Dinner Briefing and allow Council to give us more direction. I feel that our goal was only to review policy today and report back to Council for more direction. Nancy, if I got them wrong, let me know. I have permit, time, and reduction in crime, Code Enforcement service, neighborhood needs, business corridors, potential sites and cost. So the information we received on this goes back to Council for more direction on how to go forward. Everybody o.k. with that?

Dulin: I am where I was before and I am comfortable with the ordinance. I will do what the majority of the Committee would like to do.

Mitchell: Staff, does that give you some direction on where the Committee is on this topic?

Campbell: Yes sir. I think what you are indicating is that you will report back to Council at a Dinner Briefing on what the Committee has done and ask them for additional guidance.

Cannon: There is no ask other than take this back to Council for what was discussed today?

Campbell: Correct.

Dulin: What information do they have that we don't? The Committee has all the information; we should vote to move it forward or leave it alone.

Cannon: I had asked in an e-mail to at least see what proposals might be out there that could be up for consideration for the Committee to discern. It might mean nothing or something, but I would at least like to know what might be proposed. Typically the way a process moves, we get a presentation here we ask staff to at least get some feedback from stakeholders or those that might have information out there for us to consider. That in turn would come back to Committee rather than going to Council. What we don't want to do is send something to Council starting the process over and come back here; that would not be efficient. The more efficient way would be to see what proposals are available and

have that information presented to staff and let them have some dialog with stakeholders. Then have it come back to us we discern over that and make some determination to put the brakes on it now or refer it to Council for another presentation or recommendation.

Kinsey: How was the referral worded? Were we supposed to get back to them with a recommendation or were we just supposed to review it?

Mitchell: We were to review it; that was our direction.

Kinsey: I am not sure then; I think we probably would need some direction for Council. Do they want us to come back with some recommendation? I think that might be a little confusing since they haven't gotten any information.

Carter: What I would like to see is the staff reaction to these issues that have been brought up, see if they have recommendations or reactions to what has been proposed; not proposed, but put on the table.

Mitchell: Let me try to address Mayor Pro Tem. Nancy, do you know of any proposals that someone might have that the Committee would need to look at?

Carter: Yes, I believe that there are. Unfortunately, I have not seen them in completion. They could be circulated to Committee and to staff.

Mitchell: If we can get a proposal from process time to Mayor Pro Tem. Get the proposal here and let staff go over it and then when we report to Council. We can talk about the proposal as well as the other issues.

Cannon: So does that mean that it doesn't come back to Committee instead it goes to staff and staff in turn makes it part of a presentation to the full Council? The only thing about that Mr. Chair is that it doesn't allow your Committee to weigh in on what staff's prospective might be and then in turn makes the Workshop that much more long and drawn out because we would be going back and forth.

Mitchell: Hector, do you have a proposal to give to us today?

Vaca: I don't have a written one to give to you today.

Mitchell: But you think you can give us one in the future?

Vaca: Yes sir.

Mitchell: If you can have copies of that proposal to review before our Dinner Briefing that would be helpful.

Hector: Is there a timeline that you want it by?

Cannon: You were about to mention that there were three areas.

Vaca: Yes, there are three things that we are asking for.

Cannon: Based on those three things, it should not take you over a few days to pull that information together in terms of what you all want to propose.

Vaca: We are working with one of the local law schools to put it together.

Cannon: Would you please list those three things?

Vaca: We are asking that the 400 foot distance be changed or taken away in areas that are already considered to be commercial corridors. For example, Central Avenue and North Tryon Street. We are asking that the 9:00p.m. hour be extended to midnight because that is when they reach the most of their customers. People having to work from 8:00a.m. to 9:00p.m. to make the same money that they made between 9:00p.m. and midnight. The third thing is to change the time and location to at least every six months. That way, the mobile food vendors are able to actually build sustainable customer base.

My name is Hector Vaca and I am the Charlotte Director with Action N.C. I'm here representing our mobile food vendors' association chapter.

Mitchell: When do you think you can have it to us?

Vaca: I need to talk to the partners that are helping to draft it. Could I e-mail you tonight and let you know just how fast we can get it?

Mitchell: I would say to e-mail it to Eric Campbell, staff and Katrina Young.

Vaca: If I could have your cards.

Cannon: For the record, we have gotten the areas of interest, now we should ask him for formality purposes to receive something in writing.

Young: I just wanted to add that we did go through the stakeholder process. There were citizens that participated; everybody was at the table. What we came up with may not have been ideal for some people, but it was something that everybody agreed that they could live with. As we go back to the table, we may not have everybody to agree. The neighbors were complaining about the traffic and noise.

Cannon: Thank you so much for that Ms. Young because the one thing that I am trying not to do is to reinvent the wheel. You already have something in place; I do not want to destroy that and replace it with another. Katrina, were the three items that have been made known today by Mr. Vaca, were those issues discussed during those meetings?

Young: Absolutely.

Cannon: And are you saying that when those three issues came up that there was a compromise that was in turn reached that a majority of both sides, being for and against, were o.k. with?

Young: Yes.

Cannon: Now that is a horse of a different color to some extent.

Carter: The statement made was that crime reporting was not statistical, but antidotal. We now have statistics that report that there are fewer crimes in the area. That does not include traffic and that does not include noise, but if these are located in areas where the residences are significantly bothered by the operations then I think there is a real point of discussion.

Cannon: I would be interested in seeing who was on the stakeholders group; I am interested in the discussion on how they arrived at this 8:00a.m. time when there has been so much discussion about the 7:30a.m. hour. Those 30 minutes doesn't seem to be a big deal but I guess in the real world it is.

Young: Staff was open to looking at some different hours in all fairness to other businesses, not just mobile food vendors that are listed under that section that we used prior to creating this particular text to mobile food vendors.

Cannon: I am only asking these questions because I have the strangest feeling that we are going to be asked to look at some other things in the future, economic development wise regarding the small business industry. And it's going to boil back down to times or years. My point is this is probably on the first of what we are about to hear going forward relative to small businesses wanting to have the opportunity to compete. I don't' know if we can do all three of these, but I think it is at least worth getting some feedback from the majority of Council as to what can be done.

Kinsey: I would caution if we are going to start making changes, we need to have a stakeholders group reconvene or we will catch a lot of grief.

Dulin: What we have missed here is the history of how we got here. Katrina, we need the history; we need the history of the stakeholders that convened in October 22, 2008. There were 15 people there, here are their names. They met seven times. Council voted June 2008 and that is what we need to give us some context. Time at one location; I don't mind talking about that a little bit, but 400 feet is a good work. The 9:00p.m. to midnight for me is out. We did good work keeping it at 9:00p.m. I would like to take it lower than that, but I gave on that point. We need the history Katrina.

Young: Yes, I can get that; my instructions were for the highlight. We have in the past provided that information to the Committee so it would not be a problem to get it back again.

Mitchell: Committee, what I'm trying to do is one; adhere to our challenge from the Council just to review this. Secondly, we are always open to citizens to give us input on something that is very important so I think we have accomplished those two. Now we have the feedback and we have a proposal. Let's go back to Council and get some direction. I feel confident with Council making the decision here. Thank you Nancy, Hector, Eric, Katrina and staff. Eric, I am going to turn it over to you to get us started on the next item.

Subject II: Business Corridor Revitalization Strategy Update

Campbell: Thank you Mr. Chair; this is just a quick update on the business corridors and to give you an idea of the strategy. I will turn this over to Brad.

Richardson: This will not be a comprehensive overview; what we are doing today is just a stop along the process path to revise and update the current Business Corridor Revitalization Plan. We have about 12 slides and I would like to set the context for you then let Chris Hemans who works in this area walk you through some background and information about current programs, accomplishments and activities for the last couple of years in this area. We want to layout for you a path of public input over the next 30 days and a plan for going forward. The first slide is critical; it is really frames why we are doing this. The ED Focus Area Plan and the H&ND Focus Area Plan refers to the Business Corridor Strategy or the Business Corridor Fund. The Economic Development Focus Area Plan talks about updating it, adding some elements that you see on the slide. We will take a look at the geography and we will take a look at the accomplishments of the work and take a look at recalibrating the priority and the goal that is involved. The Business Corridor Fund, we are going to talk about two sources of funds. One is an economic development matching grant; the Business Corridor Fund has one to ten public to private dollar leverage ratio. That is important when we bring projects to you such as Mosaic Village and others that we have coming to you shortly. We are doing our best to leverage every public dollar with at least ten dollars of private investment. At this point, I am going to turn this over to Chris and he will talk to you about the background.

Hemans: I just want to give you a little background on the Program itself. In June 2006, Council authorized $8,900,000 to support efforts. What we did was pull together a steering committee of 25 members; we focused on looking at quantitative and qualitative data and within six months, we actually released a Strategic Plan. In March 2007, the Strategic Plan was adopted; we had two pools of funding. One pool was from a matching grant fund and the other plan was the Business Corridor Revitalization fund. Right now we have a little over $360,000 in the Matching Grant fund, and in the Business Corridor fund, we have about $15,000,000. The goals for these programs are to eliminate blight, create strong local economies, align City programs and policies, and promote environmentally friendly sustainable development such as the Greenway Business Center. We look at our Matching Grant programs that many of you are familiar with, just to give you a quick summary. In the Façade Improvement Grant Program, there is a 50% matching grant. In most cases, it is used to help with the esthetic appearance of the building and other cases. We help businesses conform to the tree and sign ordinance and other rules and regulations that may be in place. The Security Grant Program is also a 50% matching grant program.

Cannon: With regard to the Façade Improvement Program relative to the way that one can apply for that grant, are the recipients asked to pay the amount of the façade first and then in turn the City reimburse them after that cost?

Hemans: Correct. All of the upfront cost is paid by the recipient and the City reimburses them on the back end.

Cannon: Has it always been that way for the Façade Program?

Hemans: As far as I know.

Richardson: That is one of our more popular programs. You will see a little later we are going to propose to increase the limit. Construction costs are good, other cities do a little more and we think we have an opportunity to cluster some and get some bigger impact.

Cannon: The reason that I am asking is that we have some entities out there that want to participate in the program but unless it is secured by something. Let's say the business has the capacity or money to pay for the upfront costs, they may have to go to a bank and the bank may approve the request, but only if they know that the City will submit a letter stating that it will be reimbursed to them. Just know that there are some out there that want to participate but can't or don't because they don't secure it.

Hemans: The Security Grant Program is a 50% matching grant program for most applicants; the cost is $3,000 if you are a shopping center, it is up to $15,000. We have dealt with some of the security issues in the corridors; we are looking to make some changes that we can do more for these businesses in shopping centers.

Mitchell: You guys helped at Sunset Crossing when some of the businesses were broken into over a two-week time period. Chris and Tom Warshauer went out there; some of the feedback was to increase the amount up from $3,000.

Hemans: On the Brownfield Grant Program, we have two programs. We have the EPA community-wide program that has a limit of $40,000. We also have a City Brownfield Program which is focused in our Business Corridor geography that is up to $20,000 and it is also on a matching basis that is eligible for Phase I and Phase II activities and for some cleanup activities as well. The last is the Business District Organization Program; that is how we

fund the Historic Westend FreeMoreWest and the Northend Partners that you may be familiar with. We have increased the limits so they will be slightly higher than 50%; that is giving them the ability to host the "Rock and Run" that we have seen in the last two years in the Northend Partners. FreeMoreWest just launched their new FreeMore Fridays that has given them the ability to do more and really brand themselves in their corridors.

Cannon: Didn't we used to have a storm water grant of some sort or infrastructure grant because we used it in mid-west Charlotte to attract business. What happened to that?

Richardson: Five or six years ago we deleted that from our portfolio; however, we have another source of funds and Chris will talk to you about the Business Corridor Revitalization which is where we usually see capital projects, capital improvements and public/private partnerships. These are areas where we participate with development projects in other ways and we have made and have contemplated storm water improvements. Things that are public purpose, remember the Mosaic Village, we were trying to find the right public purpose project for our participation. The Infrastructure Grant Program does not exist any longer; however, we can fund some of those improvements through a second pot of money. The Façade Program also handles things like parking lots.

Hemans: As far as capital improvements, we are also looking at median and design work on North Tryon in the Dalton area that is about a $10,000,000 project. As far as our public/private partnership, you can look at the Charlotte School of Law and what we did with Wesley Village in reconfiguration of that intersection. We have a strong and long relationship as far as being able to foster and grow these public/private partnerships. I am not going to go over all of this but here is a list of some of the activities that we have been involved in. We have partnered with CMDC to complete the Greenway Business Center and built a pedestrian walkway adjacent to the greenway. We developed reimbursement agreements for Bryant Park infrastructure improvements, retooled matching grant programs to increase utilization, developed marketing programs for Corridor initiatives and prepared a redevelopment feasibility plan for the Eastland area optioned anchor stores. We completed a redevelopment plan for North Tryon and road infrastructure for Wesley Village. We targeted public facility locations in business corridors such as the Central Fire Station 42 and Metro Division Police Station, and partnered with J.C.S.U. and Griffin Brothers on the Mosaic Village project. You can see this coming up out of the ground now. The University has been driving that program and we have been a partner in that process. You have seen a lot of growth in these areas, not only due to the money we have put into it, but it definitely makes it a better area and an area that people want to put more development into. Slide six shows a review of the activities over the last three or four years regarding the program. You can see there on average about four or five grants per year for each of those programs. Leverage of about one to six; I know we want that number to be closer to one to ten, but again we are active and people are using our programs. We want to continue to do that and also to market those programs a little more aggressively as we move to the next stage of the program.

Richardson: Very early on, there is a matching grant fund you will never get a one to ten ratio on a matching grant. It is one to one typically. That fund, we are not driving toward a one to ten, it would be nice but we are not pulled to that. The Business Corridor fund where the

public/private partnerships is where we bring the best impactful catalytic projects that bring that one to ten ratio.

Hemans: This next slide shows a map of the eligible geography of the priority corridors in the darker shaded areas. What we have done here is that we have looked at that and come up with a few ideas and recommendations as far as that geography. The original geography was based on the State Development Zone and what we have done and what we have discussed is perhaps looking at the quality of life there. Looking at some of the challenged areas, most of those challenged areas do fall within our current geography but some are outside. We are not proposing to make any changes currently, but as we look toward fiscal year 2012 and 2013, that is something that we are considering.

Richardson: This is where we may see the ability for you to examine adding areas that are not included such as Nations Ford Road in the southwestern part of our community that has some commercial areas that we consider are in distress or further out Independence Boulevard where stop short now at Wendover/Sharon. We want to do this based on the quality of life indicators that we have done in unemployment such as vacancy rates and physical appearance. We are not asking you today, but in the update, we will be recommending likely to move the same program geography into the next couple of years with one exception.

Hemans: Currently, the Business Corridor fund can only be utilized within those five areas here. What we are proposing, and what we may bring to you, is that we want to expand that to the entire geography. Currently, we are receiving proposals for projects on Statesville and Graham, but because they are not within those five corridors, we can't use those funds toward those projects. That is something that we feel we should bring to you in a change we should consider making.

Richardson: I would say that we should probably bring them to you; we want to give you the policy cover so that you can use it. We will be in front of you in a couple of weeks on the Oakhurst project (Monroe Road at Chippendale in east Charlotte). We think that there is room for public participation there. We want to come to the ED Committee with that, but we think the policy should allow investment in those areas, not diminishing at all the importance of the five original priority corridors.

Hemans: As far as the progress as we mentioned before, there are some changes that we would like to recommend. We talked about increasing the maximums on the program. Right now, we have applications in process that we are reviewing, but in some cases, are shopping centers. If they want to conform to the tree ordinance, or if they want to change the façade, the cost is very high so we are looking at other ways that we can increase the maximum to have an impact on those areas to create the places that we have talked about. It's very difficult for those owners who lease that are less than other areas so how do they do that when they are financially constrained.

Kinsey: I think that is a great idea, but where are we going to get the money?

Richardson: As we said, we have a balance today of $367,000 and we also have the ability to come to you and understand that these funds help the general business corridor area. The request may be something like replenish the matching grant program if you are satisfied with this project either through another allocation or some of that $15,000,000 in the Business Corridor fund to replenish the account.

Kinsey: What if you take $15,000,000 out of the Business Corridor fund?
Richardson: We did not take $15,000,000.
Kinsey: Don't take any.
Richardson: That would be your choice.
Kinsey: That is not much money.
Richardson: That would be your choice. We could come to you and say we have exhausted the $367,000 through our grant programs and we think the program is worth continuing so how do we recapitalize those funds. And you have some options to do that.
Kinsey: How do we fund it now? Is it bond money?
Richardson: I believe it was General Fund contributions; I think in the past we have replenished some of the money from old Economic Development accounts. We have consolidated them and there is just a couple now to make it simpler for us to use. We want to spend the money now but we want to work with you to find the right use for the funds. Eligibility to other business types that requires some explanation. It isn't that we do not allow façade or security for things like adult establishments or night clubs, what we mean by this is that there are some eligibility categories like pawn shops or check cashing stations or tattoo parlors that are prohibited now. We have those in our community often in some business corridor areas and we see no reason; they do pay taxes and they do create jobs, to exclude them. Pat will be telling you on Monday night about the new partnership with the Police Department and our new service area teams. We are tied at the hip now with leadership with the Police Department all of these programs were in close corporation.
Cannon: I think that is right on point; they are legitimate businesses, but beyond that, they are leasing the location from someone that owns the property. When that lease runs out and it is time for someone else to come in, at least you have something that is esthetically pleasing to the eye on the corridor.
Richardson: Exactly opening up the cap a little bit to the businesses I have just described. Again, we are not asking for a vote today, we just need a sense of where we are going. If you tell us to stop, we will stop, but we are not hearing that from you. The last few slides are for discussion on what we are going to be doing over the next month. We want to come back to you on October 27th with a rough draft of a new strategy so these are the things we are doing in the meantime. Next week is the Business Corridor leadership meeting; we meet with them monthly. We are going to have a breakfast meeting to test some of these ideas and get some feedback from them. We will go back and interview some of those stakeholders that were part of the process three years ago. We want to touch base with those that are still active and involved; spending time with them one on one. We will be at the CMDC Board meeting on October 20th giving some discussion there; they are our partner in many of these redevelopment opportunities. Then your Business Advisory Committee will hear this on October 21st. We propose to come back here on October 27th with 90% of the document done and then come back in at November meeting. We have yet to tie down that date because of the holiday. We want to get this cued up for adoption by the end of the year if that is o.k. with you. That concludes our presentation and we will be glad to answer any additional questions.
Mitchell: Staff and Committee, just one suggestion if I may on image building, Mayor Pro Tem brought up one of the focus area discussions. If we could have some discussion with

Johnson C. Smith University; they did a great tool as far as image building by the request that they presented at our Dinner Briefing. They are very open to doing that same type of work in the community. Can we have some discussion with Johnson C. Smith University and see if they are still interested and talk about branding and image building in our corridor?

Richardson: The November meeting here is the dilemma; the Chairman is traveling the week of the election and many of you will be off. So we were thinking of November 17th, but I think that was a conflict. We don't want it to be the week of Thanksgiving so what we have left is the week of the 14th. We would like to come back and poll you with some ideas early that week.

Dulin: The 14th is a Monday.

Richardson: Thank you.

Mitchell: So you want to do it that week?

Richardson: We will poll you for Monday or Tuesday or Wednesday of that week; we will check Mr. Kimble's schedule as well for that week.

Mitchell: Committee, what day is not good?

Richardson: One more thing before we close, that was also the time we were thinking of the joint meeting with the County; that meeting will have to change to probably earlier in the week. We are going to recommend to the County that we hold that until the first of the year; we are running out of time on your agenda. We will confirm that with you shortly and with the location. We changed your location for the next meeting to the Wilmore Conference Room in Old City Hall across the street. This is the Disparity Study with the Catawba River letter of support. The new location is a room about this size; it will accommodate us.

Mitchell: Thank you staff. We are adjourned.

Adjourned: 5:00p.m.

Economic Development Council Committee
Thursday, September 29, 2011 at 3:30pm
Charlotte-Mecklenburg Government Center
Room 280

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

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. MOBILE FOOD VENDORS – 30 minutes
Staff: Katrina Young, Planning and Ben Krise, Neighborhood & Business Services
Action: Provide an update on the recently adopted Text Amendment to the City's Zoning Ordinance that regulates mobile food vendors. This presentation will include background information on current regulations, industry trends and enforcement activity.

II. BUSINESS CORRIDOR REVITALIZATION STRATEGY UPDATE – 30 minutes
Staff: Brad Richardson & Chris Hemans, Neighborhood & Business Services
Action: Receive draft recommendations from staff for updating program geography and current grant programs. Committee will be asked to provide direction on proposed new areas of focus.

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

IV. NEXT MEETING DATE: Tuesday, October 11, 2011 at 3:30pm, Rooms 270-271

Future Topics & Tentative Schedule:
- Catawba River District (October 11)
- Disparity Study (October 11 & 27)
- Entrepreneur Strategy/Policy (October 27)
- Joint meeting with County ED Committee (TBD)
    - Business Investment Program Revisions
    - Amateur Sports

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

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MOBILE FOOD VENDOR

Economic Development Committee Update

September 29, 2011

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CITY OF CHARLOTTE

PROJECT BACKGROUND

- In 2006 mobile food vendors (MFV)and City Code Enforcement staff raised concerns about current standards regulating MFV.
- Concerns identified:
  - Vendor could locate at a site for up to 12 times a year for no longer than five day periods at a time. Each permit required two inspections – one to locate on site and one to verify use was removed from the site.
  - Inspection resources required to enforce the regulations.
  - Repacking and moving every five days was burdensome and costly for the vendors.

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PROJECT BACKGROUND

Concerns:

- There was no definition of a mobile food vendor in the Zoning Ordinance.
- Complaints were received from CMPD and community groups about trash, traffic, safety (robbery targets), noise, drinking, loitering and interference with adjacent businesses that was spilling from mobile food vendor operations.

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PROJECT BACKGROUND

- Before recommending any changes to the Zoning Ordinance a stakeholders group was formed in August 2007 to discuss these issues.
- The group was comprised of mobile food vendors, neighborhood leaders, citizens, and staff from Neighborhood Development Code Enforcement, CMPD, and Mecklenburg County Environmental Health. The stakeholders held three meetings between August 2007 and October 2007.
- At the conclusion of a stakeholder process, staff filed the text amendment with the proposed changes.
- The Community Safety Committee met twice to discuss the petition and to clarify issues raised at the July 28 public hearing on the proposed changes. The Committee voted unanimously on September 29, 2008 to recommend the zoning text amendment to the full Council for approval.

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PROJECT BACKGROUND

- City Council approved the regulations for mobile food vendors on November 24, 2008.
- City Council was asked to revisit the mobile food vendor ordinance at its June 13, 2011 meeting and referred the issue to the Economic Development Committee.

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REGULATION COMPARISON

PRIOR TO 11/24/08	AFTER 11/24/08
Section 12.534 **Periodic Retail Sales Events, Off-Premise** • No more than twelve (12) periodic retail sales events shall be allowed per tax parcel, per calendar year, not including Outdoor Seasonal Sales. • No one event shall be longer than 5 days, including set-up and breakdown time.	**Section 12.510.** **Mobile food vending services.** • Maximum duration of a mobile food vending service permit is 30 days at one location, renewable up to 2 additional times, for a total period of 90 days per calendar year at that one location. • Requires a zoning use permit and placard must be posted • Operator shall submit proof that the property owner or designated agent grants permission to locate the mobile food vending service on the property • Mobile food vending service shall provide one parking space per 250 square feet of the mobile food vending unit. • No ingress/egress access to a Class V (collector), Class VI, (local), or Class VI-L (cul-de-sac) street. • Minimum 400' separation from any other mobile food vendor service, and a minimum 400' separation to a residential use.
NO CHANGE	
Hours of operation shall be between 8:00 a.m. and 9:00 p.m.	Hours of operation shall be from shall be between 8:00 a.m. and 9:00 p.m.

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TRENDS

The number of mobile food vendors operating in Charlotte has decreased. The reduction in the number of vendors may be attributable to several factors including:

1. General economic downturn.

2. Property owner permission.

3. Permitting and separation requirements.

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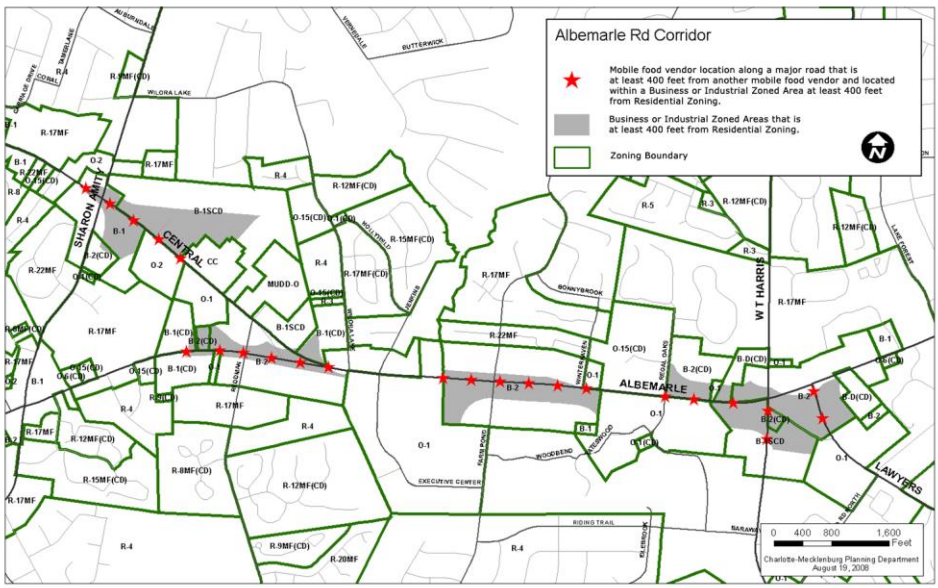
LOCATION EXAMPLES



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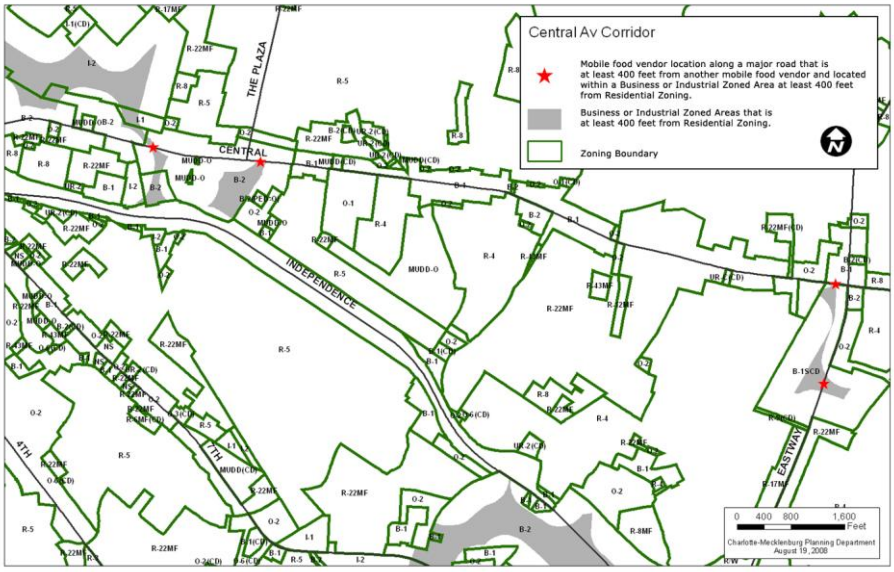
LOCATION EXAMPLES



CITY OF CHARLOTTE

ORDINANCE EVALUATION

- Code Enforcement conducted a city wide canvas between September 15, 2008 and October 5, 2008 to evaluate and study mobile food vendor operations.
- 72 vendors were identified as violating Mobile Food Vendor regulations.
  - Permitting violations
  - Hours of operation
- During the evaluation period, 13 Zoning Use permits were issued to mobile food vendors.

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ENFORCEMENT EFFORTS

- In the last 30 months since the adoption of the changes to mobile food vendor regulations, there have been:
  - 61 complaints investigated
    - 28 Notice of Violations issued
    - 17 warning citations issued
    - 13 unjustified complaints
    - 3 citations issued to repeat offenders
- 107 Mobile Food Vendor zoning use permits have been issued since the changes were implemented in November 2008.

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NEIGHBORHOOD & BUSINESS SERVICES

FY12 Update to the Business Corridor Revitalization Strategy

Economic Development Committee
September 29, 2011

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CITY OF CHARLOTTE

FY 2012 Focus Area Plan

ED Focus Area Plan

- Focus on job and tax base growth in business corridors, with particular attention to:
  - Review of Accomplishments
  - Review Program Geography
  - Validate and prioritize goals, including:
    - Image Building for Distressed Areas
    - Workforce development, youth employment
  - Review City & Partner roles

H&ND Focus Area Plan

- Strengthen opportunities for employment, housing education and recreation in targeted areas
  - Achieve 10:1 leverage ratio of business corridor fund

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Background

- June 2006, Council authorized $8.9M to support efforts
- March 2007, strategic plan was adopted
- Resources are organized into two separate funds:
  - Matching Grant Fund
    - Current balance of $367,000
  - Business Corridor Revitalization Fund
    - Current balance of $15M
- Goals:
  - Eliminate Blight
  - Create strong local economies
  - Align city programs and policies
  - Promote environmentally friendly sustainable develop

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Current Programs

Matching grants

- Façade Improvement Grant Program
- Security Grant Program
- Brownfield Grant Program
- Business District Organization Program

Business Corridor Revitalization Fund

- Capital Improvements
- Public/Private Partnerships

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CITY OF CHARLOTTE

Review of Activities

- Partnered with CMDC to complete Greenway Business Center
- Developed reimbursement agreement for Bryant Park infrastructure improvements
- Retooled matching grant programs to increase utilization
- Developed marketing program for Corridor initiatives
- Prepared redevelopment feasibility plan for Eastland area; optioned anchor stores
- Completed redevelopment plan for North Tryon
- Completed road infrastructure for Wesley Village
- Targeted public facility location in business corridors (Central Fire Station 42, Metro Division Police Station)
- Partnered with JCSU and Griffin Bros on Mosaic Village project

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Review of Activities

Matching Grant Programs: FY 2008 – FY 2011

Program	#	Grant	Leverage
Brownfield	7	$106,709	$531,381
Façade	25	$691,001	$5,395,051
Security	25	$130,260	$276,615
BDOP	2	$69,011	$47,708
TOTAL	**59**	**$996,983**	**$6,250,756**

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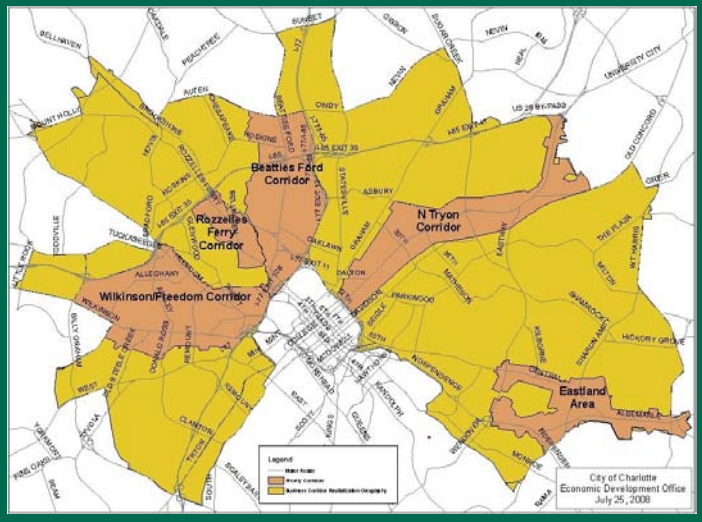
Review of Eligible Geography

Adopted May 2008



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Review of Eligible Geography

- Current geography based on former State Development Zone
- Current geography captures majority of challenged neighborhoods as defined by Quality of Life (QOL) study
- A QOL update is underway with new variables and scoring system (October 2013)

Recommendation:

- Keep existing geography for FY12-13; however,
  - Expand utilization of funds to all commercial areas within the geography; not just five priority corridors
  - Coordinate future geography changes with new QOL variables / findings

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Recommended Program Changes

Façade Improvement Program

Recommended updates:

- Increase matching grant limits
  - Many applications are beyond current caps
  - Peer cities have larger limits
- Expand eligibility to other business types
- Expand eligibility to vacant buildings to help attract tenants
  - Require but/for test for Big Boxes

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Recommended Program Changes

Security Grant Program

Recommended changes:

- Increase matching grant limits
  - Applies to entire property and building envelopes
- Expand eligibility to other business types
- Expand eligibility to vacant buildings to help attract tenants
- New Construction
  - Eligible after 6 months if need shown

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Next Steps

- October 5 – Meeting with Business Corridor Associations
- October 5 – 20- One on one interviews with stakeholders
- October 20 - CMDC discussion
- October 21 - Business Advisory Committee discussion

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FY 2012 Plan Update

October 27 – ED Committee
- Refinement of current recommendations
- Review any new recommendations

November – ED Committee
- Receive, review and recommend 2012 – 2014 Plan

December 12 – City Council adoption

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The Charlotte BAROMETER Report

An Official Publication of the Charlotte Regional Visitors Authority

SEPTEMBER 2011

National & International Business & Convention

PRICEWATERHOUSECOOPERS HOSPITALITY DIRECTIONS US

The latest US lodging outlook from **PricewaterhouseCoopers** (PwC) states "recent results show the lodging sector continues to demonstrate recovery momentum, yet a resetting of the economic outlook lowers expectations for lodging performance in the year ahead". Their forecast over the next two years shows room demand and occupancy growth slowing while rate growth picks up.

This quarter, PwC forecasts year end 2011 occupancy at 59.8%, a 3.8% improvement over last year. 2012 occupancy is forecast to be 60.4%, a 1% increase from 2011. Overall room demand is expected to rise 4.6% between 2010 and 2011, and 1.3% between 2011 and 2012. Meanwhile, average daily rate (ADR) should grow 3.6% during 2011 to end the year at $101.62. In 2012, rate is expected to increase another 5.1% up to $106.82. Resulting revenue per available room (RevPAR) gains will slow in the second half of this year, but still post a 7.5% year end increase. In 2012, RevPAR is likely to grow 6.2%, driven largely by improving ADR.

Local Perspective

CHARLOTTE AREA LODGING – JULY SMITH TRAVEL RESEARCH

July **occupancy** was 64.3% in the metro, up 3.7% from July 2010. Year to date, occupancy is 62.1% in the market, up 6.7% from the same period last year. By comparison, year to date occupancy is up 4.6% in the US (60.7%), up 4.2% in NC (56.4%) and up 5% in the Top 25 (67.6%).

Metro **room demand** totaled 638,034 rooms sold during July, up 3.9% from July 2010. Year to date, 4,227,561 rooms have been sold in the market, up 7.7% from the same period last year. By comparison, year to date room demand is up 5.4% in the US, up 5% in NC and up 6% in the Top 25.

July **average daily rate** (ADR) was $77.48 in the metro, up 0.8% from July 2010. Year to date, ADR is $82.03 in the market, up 3.3% from the same period last year. By comparison, year to date ADR is up 3.5% in the US ($100.96), up 2.1% in NC ($81.00) and up 4.5% in the Top 25 ($121.55).

July **revenue per available room** (RevPAR) was $49.83 in the metro, up 4.5% from July 2010. Year to date, RevPAR is $50.97 in the market, up 10.2% from the same period last year. By comparison, year to date RevPAR is up 8.2% in the US ($61.33), up 6.4% in NC ($45.69) and up 9.7% in the Top 25 ($82.21).

CHARLOTTE AREA LODGING TRENDS

- 6 straight months of 60+ % occupancy, the best since 2006.
- 19 straight months of occupancy increases, the best since 2004-2005.
- 5 straight months of 600,000+ room demand, the best since 2007.
- 21 straight months of demand increases, the best on record (dating back to January 1993).
- 13 straight months of ADR improvements, the best since 2007-2008.

- 18 straight months of RevPAR improvements, the best since 2006-2007.

National Leisure & Tourism

2011 PORTRAIT OF AMERICAN TRAVELERS STUDY

According to the **Ypartnership**'s 2011 Portrait of American Travelers study:
• 30% of leisure travelers took a "staycation" — an overnight trip within 50 miles of their home — as an alternative to traveling to a farther destination. This was an increase from 26% of travelers who took staycations last year.
• 33% of leisure travelers have taken a last-minute leisure trip booked within six days of their departure during the past 12 months.
• Smartphone travels apps have been downloaded by nearly 30% of travelers, up from less than 20% last year.
• 61% of travelers have used things like travel review site TripAdvisor, social media networks like Facebook, travel forums and blogs to seek out reviews and other information about a destination.

Economy

TRAVEL INDUSTRY ACCOUNTS FOR 11.4% OF NEW US JOBS

The travel industry accounted for 11.4% of the total number of U.S. jobs created so far this year, according to an analysis of the **U.S. Labor Department**'s just-released jobs report for July. According to David Huether, senior vice president of economics and research at the **U.S. Travel Association**, the travel industry added 9,200 jobs in July and, through the first seven months of 2011, travel industry employment has expanded by 106,000 to a level of 7.5 million workers, accounting for 11.4% of the total jobs created so far this year.

Media

AUGUST 2011 VOCUS

During August, **Vocus** identified 2,717 media hits on key words tracked by CRVA. The top 5 categories for the month were: Democratic National Convention (30%), Charlotte Attractions (30%), NASCAR Hall of Fame (14%), Charlotte Hotels (9%) and Charlotte Convention Center (6%). By media type, the majority occurred via Online, Consumer sites (525), followed by Online News & Business sites (30%), Television Programs (7%), Newspapers (3%) and Online, Trade/Industry sites (3%). A total of 79% of August's news clips took place outside the Charlotte Region.

Sources for this Publication

- **Global Business Travel Association**
- **Mecklenburg County Tax Office**
- **National Restaurant Association**
- **Smith Travel Research**
- **The TAP Report**
- **Travel Mole**
- **Travel Smart News**
- **Travel Weekly**
- **US Department of Labor**
- **Visit Charlotte/CRVA**
- **Vocus**

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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)**
- **The Economy (p. 9)**

HOSPITALITY INDUSTRY STATISTICAL REPORT
August 2011

Charlotte Market Lodging Production					
	Charlotte Market	**North Carolina**	**Competitive Set**	**United States**	**Top 25**
July 2011 Occupancy %	64.3	63.0	68.1	69.9	74.5
% Change	3.7	0.1	3.4	2.9	3.6
July 2011 ADR $	77.48	84.62	89.90	103.09	119.85
% Change	0.8	1.1	3.9	3.9	5.1
July 2011 RevPAR $	49.83	53.32	61.73	72.07	89.28
% Change	4.5	1.2	7.4	6.9	8.8
2011 YTD Occupancy %	62.1	56.4	61.0	60.7	67.6
% Change	6.7	4.2	5.2	4.6	5.0
2011 YTD ADR $	82.03	81.00	90.60	100.96	121.55
% Change	3.3	2.1	2.8	3.5	4.5
2011 YTD RevPAR $	50.97	45.69	55.71	61.33	82.21
% Change	10.2	6.4	8.1	8.2	9.7

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 July	**% Chg from July '10**	**2011 YTD**	**YTD % Chg from '10**
Passenger Enplanements	1,767,079	2%	11,455,948	6%
Passenger Deplanements	1,702,430	-2%	11,424,255	6%

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

Visit Charlotte Definite Room Night Production				
	Month of August	**Change from August 2010**	**FY 2012 YTD**	**YTD Chg (%) from FY11**
Total Room Night Production	34,751	15,558	46,371	10,427 (29%)
Visitor Economic Development ($)	15,897,628	-16,000,742	30,124,510	-25,635,100 (-46%)
Number of Definite Bookings	26	2	47	6 (15%)
Average Size of Definite Bookings	1,337	540	987	110 (13%)
Total Attendance	45,642	-31,303	56,949	-70,831 (-55%)
Convention Center GSF Booked	1,780,000	300,000	3,080,000	-860,000 (-22%)

Visit Charlotte Lead Room Night Production				
	Month of August	**Change from August 2010**	**FY 2012 YTD**	**YTD Chg (%) from FY11**
Total Room Night Production	65,284	-9,232	185,068	-76,168 (-29%)
Number of Lead Bookings	61	0	129	18 (16%)
Average Size of Lead Bookings	1,070	-152	1,435	-918 (-39%)

Visit Charlotte Housing Bureau Production			
	Month of August	**FY 2012 YTD**	**YTD% Chg from FY11**
Total Reservations Produced	1,128	1,436	-18%
Total Room Nights Produced	3,099	4,115	-29%

Visit Charlotte Leisure Tourism Promotion & Production			
	Month of August	**FY 2012 YTD**	**YTD % Chg from FY11**
Advertising Impressions	3,382,500	8,499,170	N/A
Visit Charlotte Web Site Visitors (Google)	129,678	251,457	35%
Motor Coach Group Bookings (Passengers)	364	514	-15%

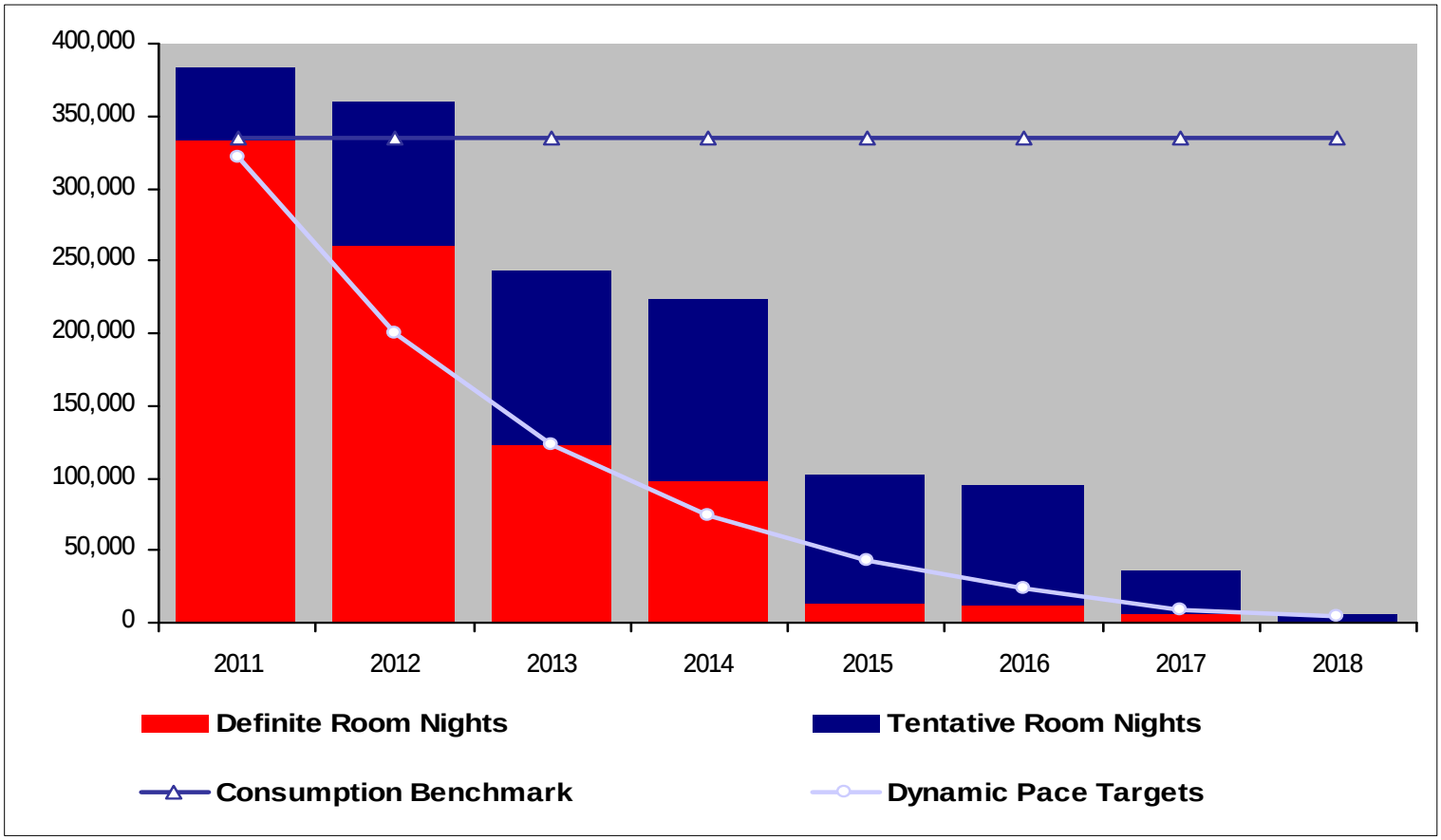
DEFINITE BOOKINGS
August 2011

Charlotte Convention Center							
Group Name	**Meeting Type**	**Event Date**	**Days**	**Exhibit Gross Sq Ft**	**Total Room Nights**	**Attend**	**Visitor Econ. Dev. ($)**
International Council of Shopping Centers, Inc. ®	Meeting	Mar '12	1	200,000	189	2,000	628,000
Advance Auto Business Support ®	Meeting	Apr '12	2	1,580,000	5,990	4,500	2,826,000
Future Business Leaders of America	Meeting	Nov '12	2	0	850	1,700	1,076,000
Total				**1,780,000**	**7,029**	**8,200**	**4,530,000**

Conference Sales					
Group Name	**Event Date**	**Days**	**Total Room Nights**	**Attendance**	**Visitor Econ. Dev. ($)**
Juvenile Diabetes Research Foundation	Jul '11	2	52	28	17,584
Ford Hospitality Services	Aug '11	4	60	15	18,840
Charlotte Soccer Academy ®	Aug '11	2	5,400	6,750	1,809,000
Charlotte Soccer Academy ®	Aug '11	2	5,400	6,750	1,809,000
Intoximeter	Aug '11	4	20	14	17,584
National Credit Union Administration	Sep '11	4	727	200	251,200
Express Event Professional	Sep '11	1	83	125	39,250
Southeastern Carwash Association	Sep '11	3	100	250	235,500
Asplundh	Nov '11	3	360	150	141,300
Alpha Kappa Alpha Sorority	Nov '11	3	91	55	51,810
National Intercollegiate Running Club Assoc.	Nov '11	2	580	1,500	402,000
Charlotte Soccer Academy ®	Nov '11	2	2,500	3,750	1,005,000
Charlotte United Futbol Club ®	Nov '11	2	3,960	5,500	1,474,000
National Collegiate Music Conference ®	Nov '11	2	75	400	251,200
Charlotte Soccer Academy ®	Dec '11	2	200	750	201,000
Charlotte Soccer Academy ®	Feb '12	2	3,000	3,750	1,005,000
American Association of Medical Assistants	Mar '12	2	275	200	125,600
Ford Hospitality Services	Mar '12	2	170	75	47,100
American Academy of Physical Medicine and Rehabilitation	Apr '12	3	75	30	28,260
Charlotte United Futbol Club ®	Apr '12	2	3,240	5,500	1,474,000
Charlotte Soccer Academy ®	May '12	2	720	900	241,200
Florida A&M University National Alumni Assoc.	May '12	2	198	350	219,800
Carr Creations, LLC	Jun '12	4	436	400	502,400
Total			**27,722**	**37,442**	**11,367,628**
GRAND TOTAL			**34,751**	**45,642**	**15,897,628**

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 8/1/11) Trends Analysis Projections, LLC

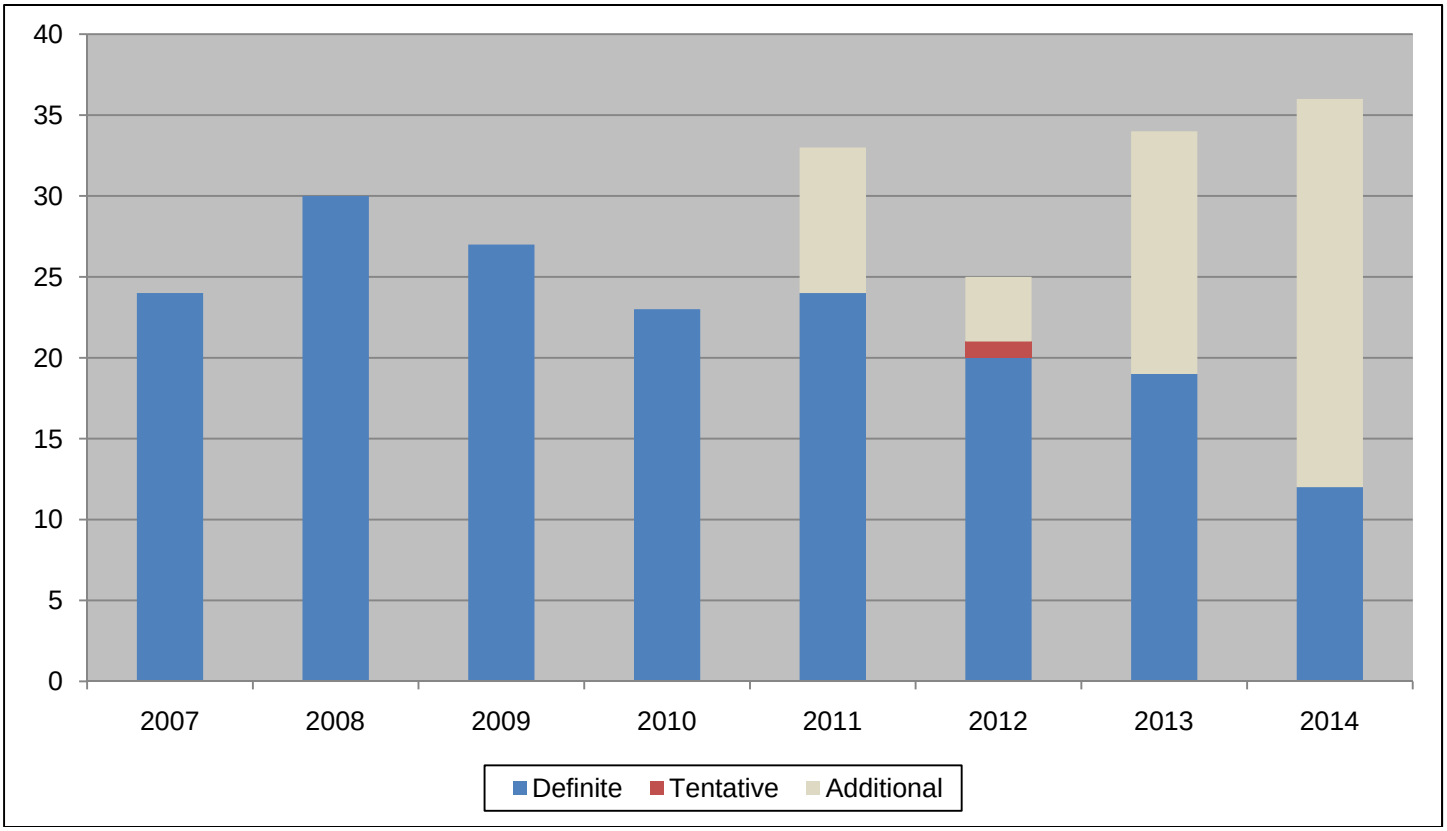


Eight Year Dynamic Room Night Pace Report
(As of 8/1/11) Trends Analysis Projections, LLC

	2011	2012	2013	2014	2015	2016	2017	2018	Total
Charlotte Definite Room Nights	333,995	260,748	123,112	98,199	13,483	11,934	5,937	0	847,408
Pace Target	321,505	200,156	122,744	74,746	43,430	23,009	9,502	4,876	799,968
Pace Percentage	104%	130%	100%	131%	31%	52%	62%	0%	106%
Tentative Room Nights	49,694	99,499	120,226	125,492	88,331	83,426	29,032	5,730	601,430
Consumption Benchmark	334,206	334,206	334,206	334,206	334,206	334,206	334,206	334,206	2,566,623
Peer Set Pace Percentage	97%	96%	89%	83%	116%	101%	80%	160%	96%

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

Charlotte Convention Center
Tradeshow & Convention Booking Outlook
(As of 9/6/11)



Charlotte Convention Center
Tradeshow & Convention Booking Outlook
(As of 9/6/11)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014
Definite Bookings	24	30	27	23	24	20	19	12
Tentative Bookings	0	0	0	0	0	1	0	0
Subtotal	24	30	27	23	24	2	19	12
Definite Target	20	21	26	30	33	25*	34*	36*
Variance	4	9	1	-7	-9	-4	-15	-24

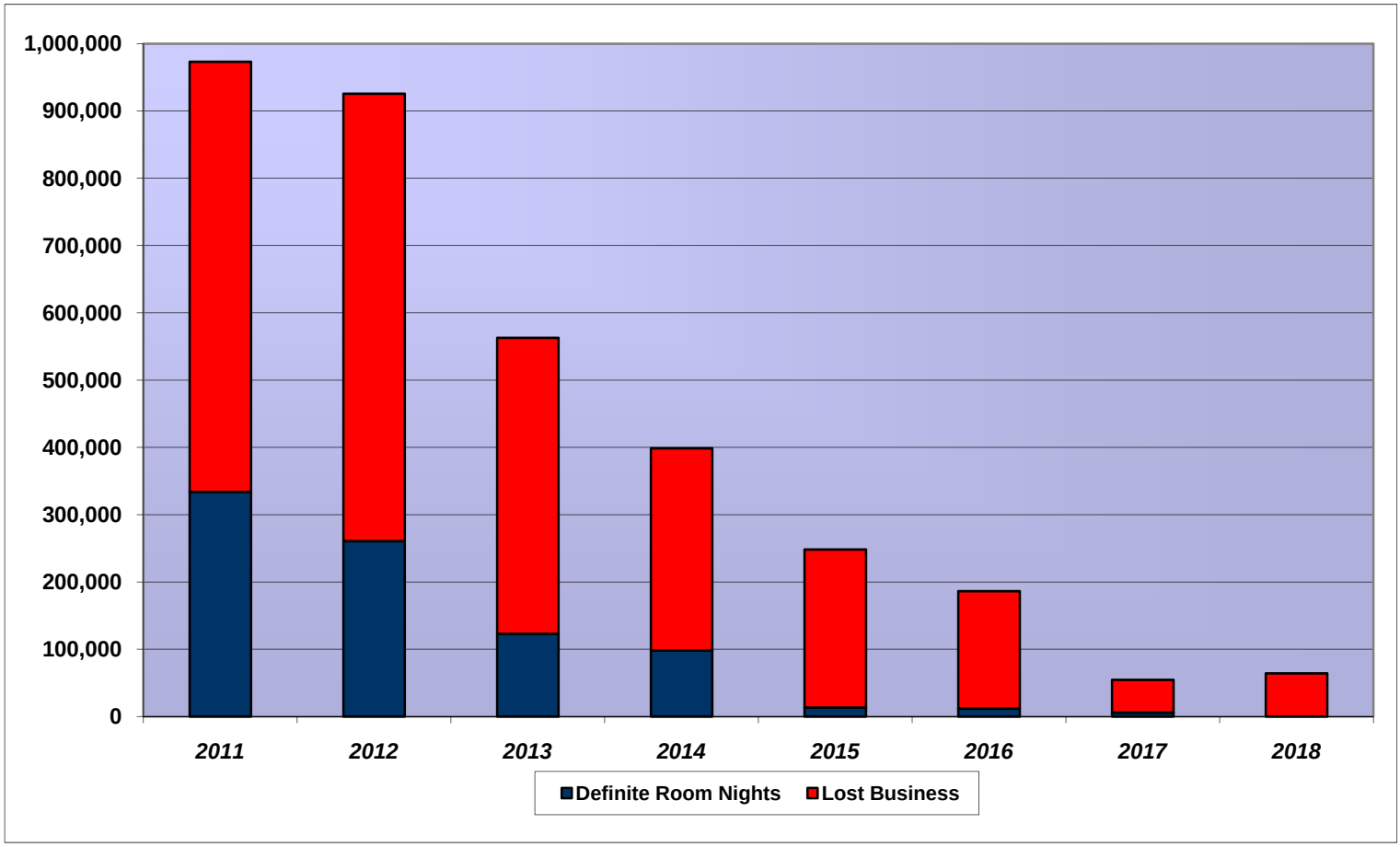
*new goal beginning FY11

HOSPITALITY INDUSTRY SALES ACTIVITIES
August 2011

Site Visits			
Group Name	Venue	Total Room Nights	Total Attendance
DEFINITES			
Advance Auto (April 2012)	CCC	5,990	4,500
Association for the Advancement of Medical Instrumentation (May 2012)	CCC	2,856	1,620
National Funeral Directors Association (October 2012)	CCC	7,079	3,000
TENTATIVES			
ConvaTec (June 2012)	Hotel	72	30
Research Chefs Association (March 2013)	CCC	1,828	550
Society of Women Engineers (November 2015)	CCC	5,645	6,000
American Association of Cancer Research (TBD)	TBD	TBD	TBD

Trade Shows & Events (attended by staff)	
Event Name	Location
American Society of Association Executives	St. Louis, MO
Connect Marketplace	Chicago, IL
Educational Seminar for State Tourism Officials	Salt Lake City, UT
Meetings & Conventions Interact	Colorado Springs, CO
NC Travel & Tourism Coalition	Raleigh, NC
Professional Convention Management Association	Washington, DC
Smith Bucklin Annual Supplier Event	Washington, DC
Student Youth Travel Association	New York, NY

Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 8/1/11)Trends Analysis Projections, LLC



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Pace Target	321,505	200,156	122,744	74,746	43,430	23,009	9,502	4,876	799,968
Pace Percentage	104%	130%	100%	131%	31%	52%	62%	0%	106%
Total Demand Room Nights	973,249	925,664	563,063	398,689	248,273	186,367	54,464	64,292	3,414,031
Lost Room Nights	639,254	664,916	439,921	300,490	234,790	174,433	48,527	64,292	2,566,623
Conversion Percentage	34%	28%	22%	25%	5%	6%	11%	0%	25%
Peer Set Conversion Percentage	27%	22%	21%	20%	24%	23%	17%	18%	23%

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

THE ECONOMY
July 2011

	2010	2011	% Change
Consumer Confidence Index	51.0	59.2	16%
Consumer Price Index (CPI)	218.011	225.922	8%
Unemployment Rate			
- National	9.6%	9.1%	-5%
- State	10.3%	10.1%	-2%
- Local	11.7%	11.2%	-4%