COMMITTEE AGENDA TOPICS

I. Subject: SBO Program Revisions
Action: Staff will seek input from the Committee on the preferred definition of "actively doing business" with regard to the standard that will apply for Minority & Women Owned Businesses (MWBEs) to be counted toward MWBE goals under the City's revised SBO Program.

II. Subject: FY14 ED Focus Area Plan
Action: Review of FY2013 Focus Area Plan in preparation for Council discussion at the February Retreat.

III. Capital Investment Plan
Action: Staff will provide information on the items referred to Committee in preparation for a more detailed discussion at future meetings.

COMMITTEE INFORMATION

Present: James Mitchell, Patrick Cannon, David Howard, LaWana Mayfield and Warren Cooksey
Time: 12:00 Noon – 1:45 p.m.

ATTACHMENTS

1. SBO Program Revisions Presentation
2. Analysis of Options for MWBE Ties to Relevant Market
3. FY2013 ED Strategic Focus Area Plan
4. Capital Investment Plan Presentation

DISCUSSION HIGHLIGHTS

Chairman Mitchell opened the meeting and asked everyone to introduce themselves. We have three items on our agenda today and I will turn it over to Mr. Kimble.

Kimble: We are here today after several conversations with you about the SBO Program and MWSBE direction that you are headed. We had promised to come back today to dive a little bit deeper into some of those issues and we've done that over the holidays. Brad Richardson and Cindy White are going to walk you through that today.

I. <u>SBO PROGRAM REVISIONS</u>

Richardson: I will introduce it and what we are doing today is a more discrete issue that we need some input on. We've raised it at a previous meeting and some individual meetings with you but it relates to what constitutes a minority women owned business counting toward goals. I wanted to tell you that we are on schedule to deliver you the draft policy at your next meeting in two weeks. I promised you I would have it to you before you went to the Council Retreat should you decide to

discuss this. The fact that you moved the meeting to February 4 is helpful so we will be able to deliver that to you on time.

White: This issue we've talked about briefly before and in a nutshell what it boils down to is to be counted as an MWBE under our program what geographic ties does a firm have to have to the Charlotte area. We've gotten some feedback from you all on this in our discussions, there is a sentiment that we don't want to make Charlotte seem unwelcoming to companies who want to come in from other places and do business. On the other hand, certainly in our public forum sessions with local businesses, they were interested in keeping this as local as possible. Legally, there isn't a clear answer in terms of this is okay and this is not okay. So we wanted to have a little bit more in depth discussion with you and get some direction as to which way you would like to head.

I'm going to give you a little bit of legal background without getting in too much depth. This issue arises from a U.S. Supreme Court case called Croson in 1989 that I know many of you are familiar with. I just wanted to let you know how this all came about. Croson, as you are probably aware, struck down the City of Richmond MWBE Program for a number of reasons, but one of them is that it was not narrowly tailored to remedy documented discrimination. For the first time, the Supreme Court in this context gets into the discussion of what is narrowly tailored. One of the sentences that has been pulled out of that decision, and it is not crystal clear on this issue, but what they said is under Richmond's scheme, a successful black, Hispanic, or oriental entrepreneur from anywhere in the country enjoys an absolute preference based solely on race. After Croson, courts were unanimous in concurring that remediation efforts have to be limited to groups that have suffered discrimination in the "relevant market". But no one has really, from a geographic standpoint, come right out and defined what that meaning is. This issue came up in the Fourth Circuit case that was decided in 2010 that I know we talked about just before we had our Disparity Study presentation and that was the Rowe case. The contractor in that case raised the issue, among one of its many, it said the NCDOT Program has to go down because they would certify firms from anywhere in the country and let them participate in that program. That is what NCDOT does. If you are an MWBE, as long as your owners are U. S. citizens, it doesn't matter what connection you have to the market. The plaintiff said that is a real problem because you are not narrowly tailored.

MGT, and this was the same expert we had work on our case, he sort of hemmed and hawed and said well, you know people may be certifying that way, but in practice almost everybody that we certify comes from North Carolina or one of the neighboring states. The relevant market was North Carolina. Interestingly, the court was silent on this issue. It didn't address the plaintiff's argument, it didn't say this was okay, it didn't say this wasn't okay. It just had in there that the program was upheld and it didn't address it. We could make arguments that at least the court didn't strike it down when it was held this way, but it was never explicitly ruling that this is okay. One of the reasons is because an issue is looking at common practice and what other people do. Starting with the common practice in North Carolina. North Carolina established this HUB office that I know you've heard us talk about that historically underutilize business. They are vested with certifying MWBEs for the whole state, which is good because before that everybody was paying to do it themselves and firms would have to certify in eight or nine different places and they may get certified in some and not get certified in others and it was a mess. HUB does what NCDOT does and basically they certify you regardless of where you are from. So HUB certifies these companies from anywhere in the country if they qualify as MWBE. Most cities, from what we can tell, not all, but most cities in North Carolina seem to say all HUB companies

can participate in MWBEs contracts. If you are HUB certified, I really don't care where you are from. That is a risk constitutionally because of the Croson case that we talked about in the anywhere in the country language. It is also not contrary to what a lot of cities do outside of North Carolina and this is per both MGT and per Franklin Lee. In our discussions, both expressed concerns because we had initially talked about doing what other cities do and certifying anybody that is certified with HUD, but Franklin Lee and MGT expressed very grave concerns about that and the constitutionality. What we have is the common practice in North Carolina, anywhere in the country; outside NC it is typically limited to your principle office located in that geographic area. Then we've got a variation that we had mentioned in the past that one example of which is San Antonio and that is, include firms that have a significant business presence in your relevant market. What San Antonio says is if you've got a local office and 20% or more of your employees are based at that office, then you are in. It doesn't have to be your headquarters, it can just be a local office, but they want to make sure it is a real office and not a post office box or a rented office that people fly into a couple days a year and work out of. That is sort of a compromise approach.

Just as a refresher from the Disparity Study, the City's relevant market that we are talking about is the 13-county area which is the Charlotte combined statistical area for federal reporting purposes and those are the counties listed up there. It is Mecklenburg, Anson, Cabarrus, Gaston, Union, Stanley, Lincoln, Rowan, Iredell and Cleveland in North Carolina and York, Chester and Lancaster in South Carolina. We've got a fairly broad area.

Here are the three options that we wanted to put to you for consideration. One is the principle office standard, and that is what is very commonly done outside of North Carolina. I'll run through the three options, but I have a chart for you in the back of your PowerPoint that really summarizes pros and cons, but you've got your principle office standards, which is they need to have their headquarters in this CSA. You've got your N.C. HUB office standard, which is we don't really care where you are headquartered if you are an MWBE and you are certified by HUB, you are in. Then you've got your significant business presence standard and you can do it how San Antonio did it, which is any office in the area plus that office has 20% of your workforce or you could have another criteria such as any office in the area and you've done at least $25,000 worth of business from that office in the past three years. That is something we put forward as an option. That number could be more or less as long as it is significant business.

Let me go straight to the chart and briefly go over the pros and cons of the three options. Principle office options, the risk of a Federal constitutional claim is very low. That is an exact match with the relevant market in our Disparity Study, the exact same criteria. So the Principle Office, looking down the column, the risk of a U.S. constitutional claim very low at least on the relevant market issues. Benefit to local MWBE firms, we say this based on the public forum. Some of our local businesses were obviously interested in keeping it as local as possible. However, the flip side of that and this has been expressed by Councilmembers, incentive for non-local firms to come to Charlotte and participate in the Program, then it is not good in that sense. Ease of data tracking and future disparity studies, this is design the ERP, what modifications have to be make. This is very easy for that and that is basically what the system does now. Overall, MWBE utilization, I know another concern is showing high number utilization and the City's commitment to using MWBEs. Your numbers are probably going to be lower with this approach overall, but one little bit of history here, when we first had MWBE programs, way back, it was common for prime contractors to travel around the county with their own

MWBEs. You might have a company from Texas that would bring in all their own MWBE firms and those would really sort of displace local firms to the extent you have local firms that could do it. On the other hand, Councilmembers have raised concerns about those areas where we don't really have MWBEs. Some of the higher specialty areas where you may really not have anyone locally who does it, but if you expand that definition a little bit, you might be able to bring in more minority and women business firm involvement. That is really a policy issue.

Cannon: On expanding that definition it would be helpful if you could help us kind of put together something that would get us close to being able to do just that as we try to define what that might look like.

White: Okay, it sounds like if you are interested in the custom tailoring approach then we would go with the third column, significant business presence and we can just talk about what criteria you might want to apply. It is not an area where I can say legally yes and legally no, but if I can get an idea from you about what criteria you might be interested in we could certainly craft something.

Mitchell: I was sharing this with Mr. Cannon and Mr. Howard, the San Antonio model I was very familiar with because my company had a bit of a hard fee in San Antonio and included 20%. I think it is a good variation because you are not discouraging outside firms, but you want to make sure you are having a local impact so we had to hire about six people in the City of San Antonio and I said well, this is not bad, especially if you really want to do business, but you want to add something to the local market. I got two head nods from Mr. Howard and Mr. Cannon maybe under significant business presence, if you could bring something back, a variation like San Antonio for us to look at. Bob Hagemann can remember this project, it is a utility when we had the firm come in and it was like a $17 million and I don't know if he was bringing his firm, but that just upset me so much that we did not have MWBEs who couldn't job, but he was not bringing any. I think if we could look at those areas where we think we need to be flexible, that can allow companies to participate, but be very sensitive. People are very sensitive about taking care of their local small businesses, but try to have a variation to embrace those that bring unique skillsets. Utilities just stuck out in my mind so I think if we could look at those opportunities, we need local MWBE participants to get our numbers up. I think it would be helpful.

White: If you are saying that what you want is that significant business presence, I'm also gathering from your discussion that what you are interested in is the hiring of local employees. Maybe we can look at; I don't know if 20% is the right number, maybe it could be the lesser of ten employees or 20%.

Mitchell: Mr. Howard, I'm his interpreter just for the day, but he mentioned the 25% he wasn't excited about it and I don't like the money threshold. I would rather us look at how we employ people locally.

Cannon: Around the idea of local participation? I'm fine with that. The only thing I wanted to add was I see the Chamber is represented in this meeting and knowing and understanding what the Charlotte Regional Partners are engaged in as well as it relates to recruiting companies, for those areas where we know that utilization is low or non-existent, I think we ought to work with the Charlotte Chamber and the Charlotte Regional Partnership to find a way to try to engage those

companies that might be out there to looking to come to Charlotte to do business. That in turn can help us in the short-term or even in the long-term of being able to hit some of those areas where we missed that are major areas of where we know we take big hits of where we don't get the kind of numbers relative to the goals that we want to achieve. Does that make sense? If it does, I'd like to see if we could knock on that door and see what the possibilities might be of exploring that.

Mitchell: LaWana, are you okay with hiring?

Mayfield: Yes.

Mitchell: It looks like we've got consensus that you can focus some attention on the percentage of hiring locally as opposed to a threshold.

White: We can certainly do that. Do you have any feeling for what you want that number to be? Is 20% acceptable like San Antonio? Do you think higher or lower?

Howard: I think what I would like to know is what that was based on. Was that some legal thing they thought they could do or was it some threshold so it felt it was real?

White: I have actually spoken with Franklin Lee on that. Franklin Lee wrote the San Antonio ordinance or at least participated with them in that and we've discussed that issue. Legally, there is no strong guideline about what that would be. I think 20% is certainly defensive because that is a significant percentage of your employees and I'm comfortable with that. There is no guarantee in this area at all because the guidance is so unclear, but I think you can make a very good argument for 20%. If you wanted to go less than that, 15% or 10%, I think you could still make the argument.

Howard: We want to go up.

White: You are thinking of going up and not down?

Howard: I might ask the Chair what kind of success they've had. I'm sure San Antonio produces a report for their Council on whether or not they have actually helped or hindered or whatever, their efforts to recruit to get more minorities involved.

White: We can certainly discuss that.

Cannon: I'm interested really, they got a 20% some kind of way and while I don't mind increasing it, I don't want to make it too far reaching at the same time. That depends upon a person's business and with us not knowing what that business might be, 30% or 40% could be quite substantial in terms of trying to set up shop somewhere. I'm kind of on the side of being at or somewhere below to kind of get a better feel of what we might experience and then from their benchmark, whatever that number might be. If we start at 10% or 15%, if we see that it is not a big deal, it is just hard for me to get my arms around that piece.

Mayfield: When we are looking at the potential contract, will there be a way for us to have a dollar limit? I definitely hear Mr. Cannon's concern as far as not wanting to hurt a company, but I'm also

thinking that 20% or 25% will be helpful for the local community. Is there a way for us to have it attached to if the bid is at a certain dollar limit to ensure that when we are looking at those percentages it is beneficial for the local community? I hear the concern of not wanting to have it too high and it hurting an organization, but I think ultimately we want to try to help benefit the local community especially when we are looking at 9% to 14% unemployment rate. The 14% specifically in the African- American community, trying to help offset that. It would be helpful to me when you are going back to gather more information to find out. There is a way that we can connect that bid amount as far as a dollar threshold to coincide and what that could possibly look like when we are looking at that percentage if a company is coming in from the outside.

Richardson: I think this is a nice Segway to where we are headed. Today we wanted to touch base with you on this issue. We agree from a staff perspective that the middle option, N. C. Hub Office is probably not a good idea. It doesn't drive what we consider local utilization. We've talked with Cindy in the Attorney's Office and we think the principle office or significant business presence options are preferable to the one in the middle. We are concerned about some of the monitoring and tracking that you have to do under the most difficult year. When we come back to you on the 17th, we will conclude our presentation and certainly open for more questions if you have them, but I wanted to share this timeline with you. It is very similar, but actually fills out the rest of our program year for you. Our plan is to be back in two weeks and talk to you about the communications and marketing strategies and we will talk about the program name that Mr. Mitchell has always wanted us to talk more about. We are having some internal meetings this week and next about that. We will also want to talk about resource needs. The SBO Program started with a larger staff than it has today. We have five employees on our full time team now. We want to make sure we can deliver to you an accurate amount of resources and do the program you want. That actually relates to what we just talked about, how to get certified companies and track employment totals and all these things. We want to do a good job of bringing you really good accurate information so we are working hard to do those two things for the 17th.

Once we have those two things done, I think we are in a good position to bring you a final draft. You remember the final draft was those five major changes and before the holidays is when we last talked about it, but we've got five major changes with some marketing communications and some resource needs. We are planning now on the 4th of February, the week that you go to Retreat, to have you the final draft and make sure we are all on the same page. We are tentatively holding a March 4th Council Workshop date to bring the full Council up to speed so we can make maybe one more stop at Committee before we head to Council adoption on the 25th. We are all headed toward July 1st launch and we talked about at the last meeting, there will be some opportunity cost in starting July 1st versus September or December when the ERP launches. We are trying now to quantify those, to Mr. Cooksey's point last time and we will have that at the next meeting when we talk about resource needs. That concludes our work and we will be glad to take questions on this topic or others if you'd like.

Mitchell: Ron, Brad you mentioned the five resources and we are doing a tremendous push in the entrepreneurial world. Is your thinking that all the entrepreneurial initiatives, Cooksey amendment, will fall under the new SBO Program?

Richardson: How we structure our office today, aside for some redevelopment work that happens in the business corridors, we have a small businesses service function, we have a Small Business Services Manager and most of you have met Natasha Warren. Natasha has a small group that works on the web portal, entrepreneur strategy and really generally small business liaison. If you have a problem this is where you go. Nancy Rosado handles the SBO Program. We anticipate on the 17th we will be bringing you a recommendation on what resources are needed and the SBO team of five to do the work that you have asked us to do.

Kimble: It will require additional resources, the SBO Program, because of all the things that we are now expanding to. They are analyzing that now and they will be back to you and us on the 17th.

Mitchell: Will the goal when we have our budget discussion be to have more bodies by July 1st?

Richardson: Yes sir.

Howard: Will you also give us some information about the resource level that San Antonio is using?

Richardson: Absolutely.

II. FY14 ED FOCUS AREA PLAN

Kimble: The next two topics are information only and discussion with you. You know that on the Focus Area Plan you will more than likely take a look at those during your Retreat in February. This is not for any lengthy discussion today, it is to present to you your current Focus Area Plan, have you have a chance over the next many weeks to ask questions about it and get ready for the Retreat. There is not going to be much discussion at each of the Committees prior to the Retreat about the Focus Area Plan, but clearly after the Retreat we will need to hunker down again and determine what kind of changes you would like to see in each Committee, to the respective Focus Area Plan. You did quite a bit of change the last time around. The question is as a Council body for this time around it is one of those years where we were intending a major overall, but given where you are and given what is on your plate in front of you, that will be a question for the Council as a whole as to what you want to do with your Focus Area Plan.

Last year you tried to get those down to a meaningful smaller number of things that you can achieve. Most committees were able to do that but some committees still left a large number of items out there on their specific Focus Area Plan. I think a goal we have as a staff is to try to get them more aligned, more looking similar, more of a pattern and a footprint and a protocol, trying to get them as similar in their look, not necessarily in their targets and in their measures, but in their look and get them down to a workable number that we can have meaningful progress on each and every year. I think ED did a good job last year to size it down to a more workable number.

Cooksey: I'm usually off cycle when I say we need to really delve into these and take a look and I appreciation those comments from Ron because this is the year to do. Just to amplify and add to what Ron said, I think one of the things that frustrate me about the Focus Area Plan is that I think that since they were initially introduced, they have drifted in terms of what information they are presenting, viewed through three particular filters or lenses. You've got the idea of goals for Council.

What is our work program in each Focus Area? In other words, what are we accountable for? The second category that exists in the Focus Area Plans, but is not explicitly identified as such, is what we wish to hold staff accountable for during the course of the year. The third category that slips into these from time to time is what are metrics that we don't have that neither Council or staff has direct control over, but pertain to the Focus Area and we want to know year to year what they are. Our first page has three clear examples. The first one, updating the City's Small Business Strategic Plan to include the following. That is something that Council has to finish up. At the bottom, average number of review on all land development permitting submissions, average less than 2.5 reviews on all plans submitted. That is something we are expecting staff to perform. In the middle, achieve an increasing percentage of SBE utilization meeting a combined formal or informal goal of 5%. While that is based on staff action and Council actions, not really something that you kind of know until the end of the year, so it is a metric that we would want to see. I think we would be better served and staff would be better served and anyone who tried to track what it is we do if we were more explicit in our Focus Area Plans about what do we put in them that we are expecting. It is a work program for Council but what is something we are expecting staff to focus on for the year and what are some things that we just want to make sure we track. That is the sort of thing I want to talk about at the Retreat, the design of these plans.

Mumford: If I could follow-up on that. We've had the same discussions that there is a level of detail that it gets to where it becomes a work plan of our individual colleagues on staff. That is probably not where you all want it to go. So we start with, and what the Committee did very well last time was looked at the initiatives and really focused on outcome initiatives, big initiatives. There are numerous measurers that we track throughout the year because this doesn't define our work plan as you can imagine, it is much more detailed than this, but you all don't want to be tied down to all those kinds of details. It is a great discussion from your perspective. It will also help us. We want to be able to provide meaningful updates that we are moving toward these initiatives that we all say are important and they are important, without getting bogged down in what is everybody doing Tuesday morning at 10:00 and there is a fine balance in those. We want to make sure that you all are comfortable that those people ask you about what have you done lately, that they can receive an answer from you that is meaningful. We also don't want to have this go back to a Focus Area Plan with 47 measures because that is really difficult to manage and it gets cumbersome for both the committee and us.

Mitchell: Warren, I think you are right and I look for that staff and make sure it is an overall discussion about our Focus Area Plans at the Retreat. There are two things that I don't see on here that I would love for us focus on staff. If the Committee is okay, I'll yield to you all to making the proper insertion. One is entrepreneurship. We spent a lot of work on that and I just think we need to measure that somehow in 2013. The second one is the after school work we've done. I don't know where that fits but Mr. Cannon and LaWana quickly knew about the summer funding that was missing. In my mind, those are two areas I would love to incorporate because I think they are meaningful to what this Committee has done and could be valuable at the community level.

Howard: You have made those same similar comments the last three years. Some kind of way we should get in front of that. For me, it is always the results and flushing them out. The third focus initiative is around job growth which is a big deal for this community right now and we have some great measures laid out but I'm not exactly sure in one spot doesn't tell me what we've done with these. The same thing with the DNC. That won't be on every year but I guess it could be on there

every four years, but it won't be on there every year. I would love to have a report on that one day soon. Just to know what we did with that. It is definitely not flushed out here and that square can't be but so big, but it would be nice to have more of what we actually got this past year out of these others too, which is always hard I know.

Cooksey: That conversation raises another key question. Is the Focus Area Plan supposed to be forward looking and what we are going to work to or should there be a component of what we accomplished? I would lean against putting things that we've accomplished and the two items you brought up Mr. Chairman, the entrepreneurial one actually came out of a previous Focus Area Plan. The out of school time one came out of some concerns about that had been building for years about that, to my knowledge, not made it into a Focus Area Plan as something we were going to work on. There may be something different about tracking what we've done rather than putting it into a Focus Area Plan for the future.

Howard: I agree with you, but it is hard to know what we should add to it without knowing what we did. At some point we need some results. I agree this should be a plan for next year, but how do we know whether or not we should adjust one of these programs if we don't know what we did in one of them.

Kimble: There will be a mid-year status report on your Focus Area Plan that comes out to you that will have most of that data in it.

Mumford: Just so you all know how we use the Focus Area Plans, we take all of the measures and initiatives from this one as well as the HAND one for our department and that is the basis for our Balanced Scorecard measures. We've actually added the youth component into the Balanced Scorecard for us because today it wasn't in either one of these Focus Area Plans. We take a look at the entrepreneurs and we try to round that out with the activity that we perform on a daily basis that doesn't get represented in the Focus Area Plans. That is back to Mr. Cooksey's point. That is how we track what happens throughout the course of the year, versus where we are headed with the Focus Area Plans. I think we are all talking in the same direction; we just need to get this figured out.

Mitchell: To Mr. Cooksey's point, I want to make sure we agree on realistic goals. Here is a prime example. Let's go to our last bullet point, we are talking about work in Economic Development and we've listed target sectors. I think with the economy, we need to have some discussion, should we measure finance because there are some in the industry who are taking a big hit now due to unemployment and I don't think it is fair for us to focus in that direction when at the end of the day we won't make a lot of traction. What I'm saying is, I don't want to waste time and our time in setting us up unless we are going to be successful. I think we need to have that discussion about what industries do we want to really focus on moving forward.

Cannon: What is relative and what isn't relative.

Mitchell: Exactly, because it is frustrating to you all if we want 70% increase in the finance. You say James, financial capital is not doing well, we can't get that. Then we say we're mad at staff because we didn't reach the goal. I think we put you in a bad situation from the very beginning.

Kimble: These are more the community that we participate in, in the broader schemes with our partners. Maybe those partners are in the process of reassessing whether or not these clusters are still clusters and whether or not they need to be amended or tweaked a little bit.

Mitchell: Mr. Cannon touched on two of our great partners in the community and maybe it is worth us having some dialogue with the Chamber and Charlotte Regional Partnership because we are in hand all working together so we talk about industry, what the Chamber forecast coming to Charlotte and what the Regional Partnership from an international aspect, so I think having that dialogue would be helpful.

Cannon: I just wanted to highlight us being at Johnson C. Smith University where we were able to benchmark what we had gotten accomplished. We all sat around in different type clusters and began to reminisce and think toward what we have accomplished, and then we in turn measured those against our goals. Some of that same stuff has happened in FY12 where we've achieved some things, but how does that stack up to Mr. Howard's question about where we are trying to go and do we need to change anything, but we do have those to point toward. It sounds like we need to accumulate some of those things in the areas of economic development, transportation, public safety, etc. Mr. Chairman, listening to you talk, especially about our partners, I wonder where it suggests work with economic development partners to grow, retain and recruit businesses in the community's targeted industry sectors of whatever X, Y and Z would be for those relevant areas or industries that we need to focus on. It goes right back to what we were talking about earlier with how we are trying to hone in on the whole thing with MWBE, but then there is a greater scope or picture to look at.

Kimble: We use the word "grow" to mean recruit new or grow organically from within. If it means something to put the word "recruit" in there, we could do that in order to explain that we are talking about all.

Mitchell: I like the word "recruit" it sounds good to me.

Howard: The point I wanted to make, three of us sitting at this table actually help to plan the Retreat and in essence it seems like a really good time to step back and have a conversation with our partners in each one of our focus areas about what do we do to join hands going forward because we can't do this by ourselves. You just made a good point, having the Chamber and the Partnership at the Retreat; it is local this time so it is convenient. Transportation, the State as well as some regional bodies, some other people we should talk to about transit and transportation needs. It just seems like a good time to bring partners to the table to talk about what is realistic and what is not. Even in public safety, partners that we deal with would help us with youth programing and other things. It would be a good year to, it is just wanting people at the table, but maybe tomorrow we could talk about that.

Mitchell: It is the third bullet point and it gets to Mr. Cooksey's point. We made it a goal, but I think it is unfair to staff to actually call it an accomplishment. Exploring a new relationship with CMDC. Those are the types of things that I think are so much out of our control. We can bring people to the table, but when you have a separate entity that have their own kind of relationship; it just makes Brad, Pat and Ron's work more difficult.

Mayfield: Even though this was in a previous focus area that was attempted earlier last year when we were looking at trying to bring CMDC closer to the City of Charlotte with a funding model. I think we are assuming negotiation or we weren't able to move forward with it.

Richardson: I will give you the short story. We positioned about a year ago the idea of a restructured CMDC model. Deal flow was down, by the way, CMDC partnership ten years old now, 12 years old now City, Chamber, County appointed members for redevelopment in place, the private partner is not working. That is just background. Deal flow was not efficient for buying, selling to sustain operations. We sensed there was a need to do something different. We positioned that as a financial partner with you back last budget season. You thought better of it and said let's work on not a financial partner that means something that we don't want to do yet, but let's think of another way of doing it. We've been in soft negotiations for a while. We haven't talked to Bob Sweeney since the holidays, but there is a need to do something different in the area of commercial real estate in some of our corridors and we are working on that. This action item is verbatim from the March adoption of the Business Corridor Strategy Update. Is that helpful?

Mitchell: It is, but I think by this measure will we say we are successful or will we say it is still outstanding.

Richardson: Still outstanding, and your point is good. It is a separate body that must approve as well, but it doesn't absolve us. We feel responsible for the City developing new business corridors. We ought to drive this conversation that is why it is here. You are right, they need to respond and we think they will in the future and they make great partners, don't get me wrong.

Mitchell: It might be helpful as we go to Retreat and we talk about it is if we can get a response. I think you hit it right on the head Brad, our focus was the corridors and maybe we look at a different model to do some corridor development when we come to retail and commercial.

Cannon: Again, I think it is going to be important for us to be intentional about where we want to go with that because there are going to be some corridors that need a greater shot in the arm than others. If we would just call a spade a spade, just like we did with Wilkinson Boulevard for CMDC, we knew that there needed to be a level of investment. We took our gloves off, put them back on, took them back off, it didn't matter what we had on, we were slugging pretty hard to make a difference along Wilkinson Boulevard and that happened. If we need to do the same thing along Beatties Ford Road, we should be doing that. If we need to do the same thing along East Boulevard, we should be doing that and be very intentional about it. I hope that we will be pretty direct and in that way we can help our partners to know exactly where they need to land and what type of funding, all of us, between public and private sector, how we need to pull together to support those areas of interest.

III. CAPITAL INVESTMENT PLAN

Kimble: The last topic today is the Capital Investment Plan. The Mayor has issued the memorandum and I think it did a really good job of sectioning off the different projects into the committee for which they really need to have some work done and aligned very well. The ones that are in Economic Development, we have put in front of you some of the pictorials, the diagrams and the depiction of each of those and it is going to be the Committee's responsibility to go through each of the projects

and again have a discussion and a dialogue about each one of them and reaffirm or tweak or do whatever it is that you would like to do as a recommendation back to the full Council and hopefully all of this can be done in the next two to three months. One in particular, the Streetcar, the BAE Study that has been done in 2008, and I think completed in 2009 is now out for updating. We've initialized and initiated that in the form of an update. It is probably going to take until the end of February, Brad, to have the results of that work to come back to the staff and then to the Committee, but that will be part of the analysis and the work on the Streetcar project as well.

Howard: Before we start on any of these, one of the things I wrote and I think the BAE Study will kind of get at is that one of the things I asked for early on, and maybe we got it in one of those updates from Randy, was the economic impact projections for each one of these. That is something that was really clear to me on each one of these going through. That is one of those pieces of information we didn't have readily available when we went out to talk to the public about this. I think the BAE would be on the Streetcar, but I don't know how we get to that on the rest of these.

Kimble: We can do jobs related to the actual construction.

Howard: I think it is jobs, I think it is economic development impact. It is real dollars and all those measures that you usually use when you want to say this is what the economic impact will be. Was that done for each one of these?

Kimble: We took a stab at each one of these and did an accumulation and in total I think we had an aggregate amount of jobs and economic impact in the $926 million package.

Howard: For instance, was the very first one infrastructure the Intermodal Facility and that is all the Berryhill stuff we talk about. We had costs, but did we have an economic impact number for just that one?

Kimble: We have the economic impact of the Intermodal Facility. We have the types of development that could occur over years in this area, but can you say it is just those roads that stimulated that and spurred all of that. That is the issue. We could take a stab at it, but I think the scientific formula approach just isn't there specifically. We could make some judgments and assumptions about each one of these.

Howard: You could say we put these roads in and these connections and we suspect that we will get this much flex building space.

Kimble: I think we can because the Airport Intermodal project also has that spin off development included within it economic impact statement and a large portion of that would go in this area where these roads are.

Howard: Do you hear what I'm saying? It is almost like I would love to have that on each one of these and I kept looking for that, during this conversation last year.

Kimble: It is difficult, but I think if that is what the Council wants to have as part of this analysis, we need to do the best job we can of coming forward with assumptions that also talk about those numbers.

Howard: It is pretty self-explanatory. If you want to say to the public we want to raise your taxes you've got to be able to say it is because you are going to get this in return. I never felt like I could tell them. I felt it made sense, but I never could quantify it.

Cannon: I think that is appropriate and if we can drill down on a little something. You've got Bojangles Arena here and what might be the economic spin for that in terms of jobs and other things it would create as well as UNCC Informatics and Innovation Partnerships, etc. I think that is right on point.

Howard: Like Informatics that is direct and indirect. It has a dollar amount that I'm sure UNCC can tell us that and expose it to research development dollars, but there is also spin off. What are those indirects that we may grow industry here?

Kimble: What we will intend to do over the next many meetings, you have a lot of the meetings up there that were associated with this, SBE, MWBE, we are going to need to load a project or two on each one of your agendas and go through them. I think because of the way the Streetcar BAE Study needs a little bit of time to get to that point, it is likely it is going to be last. I just want to make sure the Committee knows what staff is going to try and do to bring these forward one at a time or two at a time to your Committee meetings and have that kind of dialogue and discussion with you. You can critique the projects and ask us as many questions as you want to get comfortable and tweak them as you get ready to make a full recommendation back to the full Council.

Howard: From what I understand from Curt when he introduced this, these projects came out of a process where you guys set around and you put $3 million or $4 million projects on the board and said we will narrow it down to these that have the most impact. Having some framework around how these got on the list would be really nice for me. This was important because of this and this is why this got on the board. It got five dots where another one got three dots or whatever it was, it would be nice to know. The Observer actually beat us up, saying we just kind of grab stuff and that bugged me because I know there was a lot more logic put behind why you picked these and we never articulated that.

Kimble: We will come back to that and I will tell you in a nutshell that it was driven to a large extent by the ability to work with the private sector to create jobs for this community. I think that was the driving force. We looked at the Independence area, southeast, which was an area that has slipped over the last three decades and we wanted to pump significant money into job growth in a corridor that had already kind of seen its hay day and needed rebirth. The northeast corridor with the University, with the University Research Park, with the advent of transit in that node, with the applied innovation corridor and the ability of entrepreneurship. That was an area that was ripe for redevelopment because of all the different things that are happening along that corridor. Then when you look out to the west that is kind of the new frontier. That is the Airport Intermodal that is the area where its greenfield space just west of I-485 and the ability to grow jobs fast associated with the Intermodal. We picked three different areas, one that is already stressed, one that we wanted to

incubate and grow and birth right now and then the new frontier out in the west and they all kind of fit together in the form of infusing new capital dollars to the creation of job growth.

Howard: We need to record that and put it down and say this is why we picked them. I understood it, but we could never articulate what you just said.

Cannon: We could probably put some comments even from Manager Curt Walton who did articulate that on a couple of fronts, but that would be fine in terms of getting information back on it. We've kind of gotten ahead and we've gone through some of this but go ahead with your presentation.

Kimble: That is pretty much it. We wanted to make sure that we were in sync with the Committee on the process and the format and the pacing of these projects in the next couple of months. We want to make sure you are okay with that. That was clear enough and that helps you get to where you want to go.

Richardson: We've got six items referred to you by the Mayor. We've got four meetings before your Budget Retreat in March so obviously one will take a little bit longer; it is the BEA Streetcar one toward the end. I think what Ron is positioning is at your next meeting on the 17th we will bring one or two of these back and discuss them with the rationale of why they are on the list. At your pleasure, we can walk through each one and let you see a little bit about each project. If you would like to direct us on which ones you would like next we are happy to take that as well.

Cannon: Committee, what is your pleasure? I think we are pretty much up to speed on them, but I'm going to yield.

Howard: I think we need a presentation.

Richardson: These are the six that we will be talking about. The first two sub-bullets are really the ones. You see the Airport and you see the Intermodal. What this one deals with is the road infrastructure necessary we believe to spur distribution, warehouse, advanced manufacturing that can take advantage of the Intermodal Facility over the next generation. It is a long-term plan, but is an extension of Garrison Road, the blue line in three different sections and it is the widening and improvement to Dixie River Road, which is existing now, opening up pads for redevelopment. When we come back to you, we will talk more in detail about the Intermodal opportunities, what might be happening.

Howard: Before you leave this one, how important in the conversation was the Garden Parkway when you talked about doing this? Was that a plus or was it not necessary to see the type of development that was projected? Were we counting on Gastonia helping us with some of this?

Richardson: it is important, but not critical. The Intermodal is going to drive warehouse distribution development. One question is where would it happen and without roads in this part of the community there is not much chance that it will happen in the west side of Charlotte.

Howard: Another question that comes to mind is access back and forth across I-485. We have a bridge that goes under I think at Old Dowd Road, then we have one that goes over at Wilkinson

Boulevard. Do you think we need anything else or is that enough? I doubt we will be able to use Shopton Road a lot going forward, especially with taking on a neighborhood. Do you feel we've got enough back and forth for I-485?

Kimble: I believe from a thoroughfare standpoint that is the minimum number you would want. You can get by with those, more would be better, but I think the thoroughfare plan says that you can survive in this area with those connections.

Mumford: Actually under the arrow of section two, Dixie River comes across to connect.

Kimble: You did mention the outlet mall. That was something that not much had been said about it to anybody and it has kind of grown since the advent of your CIP back a year ago and that is another reason why these roads become even more important to create north/south connection in this area.

Howard: I also noticed this area lacks some infrastructure, I think water. Are we talking about doing any of that with these improvements?

Kimble: The answer is yes; we have layered in the transportation improvements with the utility work to make sure they are done in sync with each other.

Mayfield: Ron, in thinking about the conversation we just had and with the impending development out there, do we see any potential partnerships with any of this to offset any of the costs? I know there is a road that is already contemplated that is going to be added in with an additional lane on Steele Creek. Does any of the development that is going to happen around the shopping center try to merge these to help offset the costs?

Kimble: The answer is a mixed answer. Soon you will know that Tanger will need some help on its roadwork with its improvements and its project as it is coming forward. Yes, there will be significant improvements to Dixie River Road which will help the connectivity into this area. The answer is yes, it will be fitting all together very nicely with this plan and the plan to work Tanger/Simon.

Mayfield: So there is a possibility that costs will come down?

Kimble: No, I think that roadwork is north of this area and that roadwork is in the southern section. Some of the improvements have already been made to a limited roadway section in South Dixie River with the advent of the Tanger/Simon project. Those roads will need to be widened in that area.

Cannon: This request is going to be on top of an earlier request that was made. When you go back and assess the economic impact that was raised by Mr. Howard, would you work to incorporate that in a PowerPoint like this that can be added to and then also provide that PowerPoint, as well as this one we are looking at today to us?

Kimble: Meaning the economic development impact?

Cannon: That was raised earlier for these particular areas, so for the … to leverage the Intermodal Facility, Bojangles/Ovens area redevelopment and UNCC Informatics. I want to make sure we get this one e-mailed to us please, this one and the one to follow.

Kimble: Remember the challenge with this project. These are roads outside the current City limits. Remember the new … we are not permitted to build currently. I think we can build but not maintain roadways outside our City limits. We need to work with the powers that be in Raleigh and NCDOT in order to find the right combination of how these roads can be built in this area. Remember our annexation powers have been significantly altered and decreased. How does annexation of these lands come into play as we build the roads? That is the big challenge in this project. Some of it could be voluntary annexation, but can you depend on all of it to be voluntary. Those are questions that have to be answered for this project, but the roads are unquestionably needed for the future growth and development of this area. No matter if it is in or outside the City limits of Charlotte because it is ripe for growth with the Airport Intermodal project.

Mitchell: You just reminded me of something so Garrison and all five roads are outside the Charlotte City limits, or just the three, Section one and two?

Mumford: The gray area that is the City of Charlotte. The white and the yellow as well are in the County.

Mitchell: The white and the yellow are in the County.

Kimble: That is the challenge with this project.

Howard: Are there economic development dollars that could be used to put in roads, separate and apart that could come through the State or the Feds in some kind of way, considering the Intermodal has a regional law? I'm sure we don't need to add it to the title list because we've got enough projects ready, but it brings to mind the thing that would make this easier is to find another source. So if there are other sources we ought to look at those too. Maybe it is not for the construction, but it is for something and tied to the Airport and tied to the Intermodal in some kind of way that is a source we haven't looked at.

Mitchell: When is our deadline?

Kimble: Three months, by March 20th.

Mayfield: Since we have three months that we are working on this, if we wanted to send this back out to Committee, do we need to make that suggestion today or make that a motion? When we are looking at the Streetcar infrastructure project that is something that I really want us to look at referring over to CATS to bring back some ideas and some suggestions on is this the best use of the funds and do we have any other options that is going to create that transportation piece on the east side and west side. Since we have such a short window, do we need to make that as a motion today to give them an opportunity to start working on this?

Kimble: The items have been referred to this Committee already so they are in this Committee. You are going to be evaluating, questioning, having discussion and debating all of these as these individual projects come in front of you and the Streetcar will be one of those.

Mitchell: I think to Ron's point LaWana, we would rather have CATS come and give a presentation on what you just said.

Mayfield: But what I want to make sure is that we let them know that we want them to bring the presentation.

Kimble: They know.

Howard: You bring up a logistical question. If we wait on the BAE Study until the end of the three months, maybe we could have a conversation with CATS about alternative funding sources at the same time or are we going to have this really crunched one meeting and try to figure all of that out?

Cannon: There is another arm to that as well. It is whether or not with our Mayor now chairing the MTC, if you want to go ahead and direct something for the MTC to begin to really discuss for additional studying and recommendations on options to advance the project, including the study of alternative funding scenarios. Opposite that approach could allow, I think, more time and discussion to develop a new funding proposal or a combination of what we have been experiencing right now with other sources. That may be the way we want to couch this sooner rather than later.

Howard: From what I understand and we've talked about from the transportation standpoint, he is going to do that. He still saw the Streetcar being an economic development project that should stand on its own. I think he is going to do both; it is not going to be one or the other. He is asking this Committee to look at the Streetcar as part of the CIP and he is looking at another process with the MTC. That I do know for sure.

Cannon: That can happen without hearing from CATS and I think I know what they are going to end up saying. We can get that presentation to go through the dog and pony, but I think we all know what the outcome of that is going to be. Going ahead and giving some clear directives about where we want to go with this, rather than just sitting back and twiddling our thumbs I think is what we ought to be doing just to move this forward. If the Mayor will be doing that, and if not, I hope that he will because that is what I've been asking as well. Hopefully that will happen and get us to where we need to be with that. Timing is an issue and all of this is sitting in ED on the Streetcar, but it is a Planning issue which kind of ties back over to Mr. Howard's Committee that he chairs.

Kimble: There had to be some choices made about which Committee and the Northeast Corridor Infrastructure was sent to Transportation & Planning and the Streetcar was sent to ED and both of those require some heavy lifting to analyze.

Cannon: I raised the Planning issue because it is more important to see balance occur in areas where there is less stabilization than where there already exists stabilization (i.e. Beatties Ford Road) as a place where the Council could begin to say if we are serious about economic impact and/or opportunities to turn themselves around in areas like Beatties Ford Road that we would again be

intentional and say that and give the proper directives so that we could move this forward. The idea though is to connect to the south line no matter where you start east or west. How do you do that and make sense of it? We ought to be trying to work on that.

Richardson: The next one is the Applied Innovation Corridor. The phrase was coined as part of the adopted Center City Vision Plan. This is the area broadly between I-77 and North Davidson Street and it encompasses North Tryon Street, Graham Street and we will talk in more detail when we bring this back to the Committee. It envisions Graham Street being remade with streetscape to make it more developable. Right now it is an entrance way into the City, largely industrial, what else could it be. It is restricted with buildings up to the curb, power lines, etc. It envisions the Matheson Bridge being improved, making a better connection across the railroad. You can't see it here, but we will detail it more for you as we get closer to it in Committee, but a Woodward intersection improvement to make a four-way intersection that we think would make a nice retail development in the future. Tryon Street connectivity to some of the neighborhoods as well as a small amount of money for some leverage funds for opportunities for developers and gaps filled that we see an opportunity. It also includes the Statesville Avenue landfill. We've talked about energy infrastructure there so this is what the Applied Innovation with the $20 million that was set aside for that.

Howard: So mainly it was Graham Street? I don't know why I thought it was mainly North Tryon. So no improvements on North Tryon Street?

Richardson: North Tryon Street is being improved today. There is a construction project soon to start on North Tryon Street that is already funded, this is Graham Street primarily.

Howard: Part of that economic impact, part of what you just said Ron, we are taking advantage of the investment. We are already making a dollar amount here and the improvements that you are making and all the work that you are doing with my group as well as the Fire Department on that one and then the Redline is going to shoot right in the middle of that at some point.

Kimble: That is right. The critical mass of infrastructure in an area ripe for redevelopment and job growth. The fact that you've done something with entrepreneurism in creating that new fund and you are spending public money on the marketing strategy for it, and then there is funding put together will help the job growth in this area. This is an area that leads up to the University area. We have the twin bridges that go across I-85 and University Research Park, all of this ties together from the Center City out to the University on both roads and rail.

Howard: This has nothing to do with that, but those two train bridges on North Tryon, did we ever do anything with those? Does the Intermodal yard moving out to the Airport mean that we can touch those anytime soon?

Richardson: The bridges closer into the Center City, no sir. Those aren't contemplated to be adjusted.

Howard: I don't see them on there and it is not attached to this, but this is prohibiting development on North Tryon as much as anything.

Kimble: Though most of the Intermodal is moving out to the Airport, there is still train operation and freight operations that are in this area that prevent it from going away all together.

Richardson: Graham to Dalton and North Tryon seems to be the natural exit/entry way into that corridor because of the area you just mentioned. If you are ready, the next one is the discrete amount of money; $10 million in a partnership with the University to up fit the fourth floor currently unfinished, Informatics Center at the University. It is a little bit out of the box, 20,000 foot partnership with the University.

Howard: I don't see a dollar amount on the Applied Innovation Corridor.

Richardson: It is $28 million.

Kimble: And we have different projects in that $28 million that were listed separately in the materials.

Richardson: The idea here is to work with the University. This has a direct tie to the entrepreneurship strategy you passed a few weeks ago. Knowledge worker jobs, a fancy way of saying jobs that require a degree and spin off jobs, and ideas and technology. We see an opportunity there as well as the idea of trying to bring more research into the community. This is a unique partnership with the University for the up fit of research space.

Howard: When we do this can we actually have somebody from the UNCC to come and explain this? We never got to that and I've actually read a couple articles on Informatics since then it is what the President used to win his election. It has a lot of uses and I would love to hear more about what they think will be the long-term use and the projections in the market for this community.

Mitchell: This is the Fourth Ward build out?

Richardson: Yes sir.

Kimble: And how you do that, it has to be done creatively. It can be a condoling out of the space and we can up fit it with equipment. There are all different methods by which the $10 million investment needs to be made in order to be public purpose oriented. It all has to be public purpose.

Richardson: The next one you are familiar with, it is an amateur sports related idea. It is the renovation of Bojangles Arena, making it more conducive to amateur sporting events. It contemplates that building being renovated with $25 million, some land being assembled and some roads being improved, partnering with a private developer for a building between Ovens Auditorium and Bojangles Arena for multi-sport, enough critical mass of available court space for amateur sporting tournaments. It involves parking, hotels in the future and all would be privately developed with this investment.

Cannon: Do we know if there is any outside interest in the private sector or the faith-based community that is looking at that site to our knowledge?

Kimble: We've shopped many different private groups to engage interest, and though we haven't landed one particular one, there is interest. I think it has to be in terms of how does the capital get built, how do they operate and how do they get marketed as joint facilities. You've got to go through that analysis of construction, operating and market and that is what we are doing. There is a lot of land mass in this area that is underutilized and under built. The question becomes how you best utilize your money today for the greatest catalytic conversion of this area of Independence Boulevard, but there are many different ways to go about this.

Cannon: I see this as being a good look for the use. I just want to make sure that there is other outside interest with regard to this that they have a clear understanding about what the Council and the Mayor are considering in terms of moving forward just so folks can plan accordingly on both sides, within the public/private sector and the faith-based sector.

Kimble: A repurposing of Ovens and Bojangles is needed for the City and the CRVA because these facilities are underutilized and underperforming at this point in time, but we also want to retain the civic use space of Bojangles Arena for high school graduation, for civic use where you can still fit 7,000 people comfortably into the arena because it still has a use for our community for civic uses.

Howard: You said the repurposing of Bojangles and Ovens and we hadn't heard about repurposing Ovens in this conversation. When we talk about this one, I would love to have some idea from developers about the real potential of redoing the hospitality infrastructure around this area.

Kimble: We believe that the right private sector partner will be one that not only participates in the construction of these amateur sports facilities, but they will also want to be the developer of choice for hotels and restaurants in the area, that they will be here for the long haul and they will be here as investors in the area for the other amenities that link to these.

Howard: The reason that jumped out at me is that we've talked about the whole IHOP, bowling alley across eight lanes of traffic. What is the reality of that and what kind of infrastructure do we need to put in place so it happens over there. I can see it happening on this side, but if we really put the kind of infrastructure we need in and around something like this, it is probably three or four hotels, some restaurants, and how do you get around it.

Kimble: One of the principle reasons why you are going across the street is in order to create the atmosphere for amateur sports and redevelopment of Ovens and Bojangles; you've got to secure safety and calmness in the area. What was happening across the street was contributing to crime and nuisances that are not conducive to this whole area, including Ovens and Bojangles.

Howard: For instance, there is the Briar Creek Bridge and we just bought the piece of property that was connected to the piece you just talked about. Is there some greenway or walkway that we could do without having to put some type of bridge over Independence?

Kimble: There is, but it is a long walk around from Ovens/Bojangles all the way around to get to the other side to get to any open space. We've got to think strategically about what is best, the short-terms and what is best long-term for the area to get that kind of connection.

Howard: You get what I'm talking about? How do we logically say that can happen?

Kimble: We've looked at that connection along the greenway. It is just a pretty long walk for people, who might come for amateur sporting events with their kids in the off time to want to take a walk all the way around there, but there is that opportunity and we have investigated the greenway connection.

Mayfield: Ron we already have members of the business community that have approached the City regarding the amateur sports. Are we looking at, if we build it they will come?

Kimble: We are approaching them and before we build it and utilize the funds, we will have the partnerships put in place, but we do have the partnerships in place.

Mayfield: When those conversations start, do we usually look at 50% of what we need before moving forward? Is there a threshold that we need before we decide to actually put the investment in place?

Kimble: This is the exploration of new creative ideas. We estimated the initial investment of around $60 million of which $35 million would be public funds and $25 million would be private funds. The millions we were talking about from public funds were $25 million from a bond referendum and $10 million from hospitality taxes that would help with Bojangles. The concept plan was about a $60 million original and initial investment, $25 million private and $35 million public.

Mitchell: It would be nice to get a feel for how much a bridge would cost. I say that for three particular reasons. There is a huge bridge connecting LaSalle Street to J. T. Williams, cross over I-77 and at the Speedway, we take the bridge over Highway 29 and then I think about Johnson C. Smith and we put that bridge for the students only because Beatties Ford Road is so busy. If we want a true tourism attraction, we can't tell people who are staying in the hotel you have to walk around. I think it doesn't make it a desirable tourist attraction, but I would be interested in the costs of actually building a bridge. I'm sure it has changed since those three bridges were implemented. Ron, I don't know where you would connect it, but we have an expert, Danny Pleasant here. I would love to see the funding piece if we have to connect a bridge.

Kimble: In some of the earlier concept plans, we actually had the bridge on here but we didn't want to get ahead of ourselves and we need to have a lot longer conversations with NCDOT because of Independence Boulevard.

Howard: You make a good point. One reason I was pushing on that so much is if that is really a part of it, there needs to be a way to access it. You just made another point. The real reason to do it is because of the perception of the area so in that situation, that could develop to something else on the other side of it. It doesn't have to be supported because there is enough land on this side of Independence to support that without going to that little piece on the other side of the street. Those other two hotels going all the way up to Eastway, there is enough land to put enough hotels on this side of it. The real reason we need to take care of that is the perception of the area. That means you almost want to back up to Independence now and not front Independence.

Kimble: That is why I was saying we need to carefully and strategically figure out where you want the dollars to be placed.

Howard: A bridge is only going to get bigger. Danny, are we talking about adding three lanes to that section as it is right now, two in the middle? Potentially four lanes right in that section.

Pleasant: It is pretty preliminary as Ron indicated. That part of Independence is largely built out or it will be over time. Building a pedestrian bridge, depending on what you've got on either side of it is a good idea and certainly a right way to do it and a wrong way to do it. The right way to do it in a situation like this would be to make sure that it is a level walking experience. You don't necessarily want people going up some stair tower, going across and down. It has to be fairly significant scale to make it that kind of attraction that I think you want to do if you do that. First of all, you've got to come up with a plan of what happens on the other side of the street because you don't want to build a walkway that looks exciting but once you get there, there is nothing there. There are lots of ways to do it and I've seen many of them around the country that work very well and seen some that don't work so well.

Cannon: Since we are crossing over a State highway, it would be nice if the State would give us a few bucks for something like this, and not just in that location, but even going further out toward Monroe. The design of what we have over there we know it is done. It has really crippled the area economically and we need something else design wise.

Pleasant: That is correct and we've had a lot of discussion through the ULI Study and Area Plan work that we are doing that addresses the development pattern along Independence and calls for a reorientation of doing that and all that was considered in the Manager's proposed CIP that you considered over the last year or so, all the way up and down the length of Independence.

Kimble: What you did with the ULI Study on Independence and remember that Monroe becomes more important long-term in the future and this area sits right between Monroe and Independence so there is a great opportunity for a fine redevelopment project to occur in the area of Ovens and Bojangles and we'd want to be out ahead of this and not behind the curve as we stimulate a private sector partner to come in with us and use public and private dollars to make the renovation and the redevelopment of the area. We don't want to do it all ourselves, but there is not going to be a developer that comes in all by themselves right now. It is how you leverage public dollars with private dollars to make it happen.

Richardson: The fifth of our six items referred to Committee is this Public-Private Redevelopment Opportunities Fund, $20 million. It is moving to the southeast side of town, we are still on Independence Boulevard so this is opportunity dollars should we need to build roads, partner with the developer. It is probably difficult to see from your vantage point here but an example cited in Curt's presentation was up around the new Wal-Mart area and the Coliseum Shopping Center that is largely vacant with the exception of maybe one tenant. A frontage road, how do you connect a frontage road to Wendover to allow some opportunity for movement and redevelopment of that large site? That is reflective of the type of opportunity and you will see some of those in the aqua blue colored lines from a road perspective and just redevelopment opportunities in general. It is $20 million for this.

Mitchell: Brad, is this Patsy and John? I know they have a fine line. Central Avenue is District 1 and District 5?

Richardson: I will have to check.

Kimble: Most of it is going to be John's but some of it might be Patsy.

Cooksey: We start there to our left south of Central but basically by Bojangles Coliseum and as you go all the way to the right of the map it terminates in Matthews. The bulk of this looks like District 5, but District 1 and 5.

Richardson: Other Committees, Transportation in particular, will cover some of the improvements on Monroe Road and Idlewild, but ours is more redevelopment opportunities.

Mitchell: Repeat the dollar amount again.

Richardson: $20 million. The final one and sixth on, you've already talked about and discussed a little bit, it is the Streetcar Infrastructure Project. We envision that probably not being the first thing you talk about because we want to knock out a couple of the other ones first and wait on the BAE Report to come back.

Mitchell: All of this by March 20th? We've got to start working out team.

IV. NEXT MEETING DATE: January 17, 2013 at Noon, Room CH-14.

Mitchell: Mr. Cooksey brought up the Focus Area documents, if you all feel like there is another way of presenting this; we would not be opposed to it. I want you all to feel comfortable, and Pat you touched on it too, this might just be the formula we've been following. If you all think there is another way of reporting out, please we would love to see another creative way.

The meeting was adjourned at 1:45 p.m.

Economic Development Council Committee
January 7, 2013 at Noon
Room CH-14

Committee Members: James Mitchell, Chair
Patrick Cannon, Vice Chair
Warren Cooksey
David Howard
LaWana Mayfield

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. <u>SBO PROGRAM REVISIONS– 30 minutes</u>
Staff: Cindy White, City Attorney's Office
Action: Staff will seek input from the Committee on the preferred definition of "actively doing business" with regard to the standard that will apply for Minority & Women Owned Businesses (MWBEs) to be counted toward MWBE goals under the City's revised SBO Program.

II. <u>FY14 ED FOCUS AREA PLAN – 15 minutes</u>
Staff: Ron Kimble, City Manager's Office
Action: Review of FY2013 Focus Area Plan in preparation for Council discussion at the February Retreat.

III. <u>CAPITAL INVESTMENT PLAN– 40 minutes</u>
Staff: Ron Kimble, City Manager's Office
Action: Staff will provide information on the items referred to Committee in preparation for a more detailed discussion at future meetings.

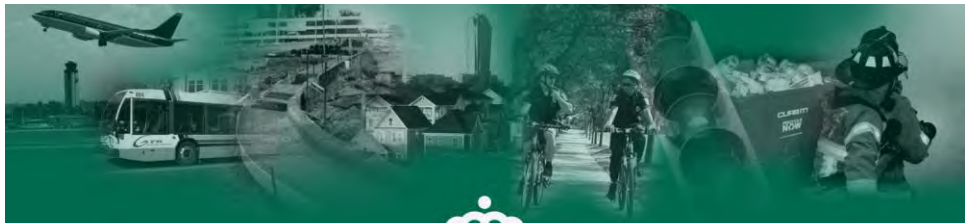
IV. <u>NEXT MEETING DATE: January 17, 2013 at Noon, Room CH-14</u>
Tentative Schedule:

- SBO Program Revisions (Marketing Plan, Resource Needs)
- Capital Investment Plan
- ReVenture Update

Distribution: Mayor/City Council Julie Burch, Interim City Manager Leadership Team Executive Team

Analysis of Options for MWBE Ties to Relevant Market

	Principle Office Only include MWBEs certified by N.C. HUB Office that have principle office in the Charlotte CSA	**N.C. HUB Office** Include all MWBEs certified by the N.C. HUB Office (which includes firms from all over the U.S	**Significant Business Presence** Only include MWBEs certified by N.C. HUB Office that have a "significant business presence" in the Charlotte CSA.
Risk of US Constitutional Claim based on match to relevant market	**Extremely Low** Exact match to relevant market as defined in 2011 Disparity Study	**Higher**	**Low** Strong connection to relevant market as defined by Disparity Study
Benefit to Local MWBE Firms	**Highest**	**Lowest**	**Middle**
Incentive for Non-Local Firms to Come to Charlotte CSA	**Lowest**	**Highest**	**Middle**
Ease of Data Tracking and Future Disparity Studies	**Easiest**	**Middle**	**Most Difficult** This approach would require verification by City staff on the front end and possible modification to ERP System for future disparity tracking
Overall MWBE Utilization	**Lowest**	**Highest**	**Middle**
Risk of State Law Claim based on authority of NC HUB Office to certify MWBEs	**Some Risk** But US Constitution trumps state law	**No Risk**	**Some Risk** But US Constitution trumps state law



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NEIGHBORHOOD & BUSINESS SERVICES

SBO Program Revisions

Economic Development Committee

January 7, 2013

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Question

What ties to the Charlotte area must an MWBE have to be counted toward MWBE goals under the City's revised Program?

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Legal Background

U. S. Supreme Court held in *Croson (1989)*:

- Race and gender conscious remedies must be narrowly tailored to remedy documented discrimination.
- "Under Richmond's scheme, a successful black, Hispanic, or Oriental entrepreneur from anywhere in the country enjoys an absolute preference over other citizens based solely on their race. We think it obvious that such a program is not narrowly tailored to remedy the effects of prior discrimination."

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Legal Background

- After ***Croson***, courts concur that remediation efforts must be limited to groups that have suffered discrimination in the "relevant market".
- But they provide little guidance about what, if any, ties a particular MWBE has to have to the relevant market to be a beneficiary under the program.

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Legal Background

Fourth Circuit was silent on this issue in the 2010 *Rowe* case:

- Contractor claimed N.C. DOT program was not narrowly tailored because firms located outside N.C. (i.e., the relevant market per disparity study) were certified as MWBEs to meet N.C. DOT contracting goals.
- N.C. DOT said yes, but in practice most firms benefitting from program come from N.C. and its neighboring states
- Court upheld N.C. DOT program without discussing the issue

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What Other Cities Do

- **Common Practice in NC:** Include all firms certified by State HUB Office (which certifies firms from all over the US).
- **Common Practice Outside N.C.**: Only include MWBEs that have principle office in the relevant market.
- **San Antonio Variation**: Only include firms that have a "significant business presence" in the relevant market (i.e., have maintained an office there for at least one year at which 20% or more of the firm's employees are based)

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Charlotte's Relevant Market

- Per the 2011 Disparity Study, Charlotte's relevant market is the Charlotte Combined Statistical Area (CSA), which consists of the following counties:
  - NC: Mecklenburg, Anson, Cabarrus, Gaston, Union, Stanley, Lincoln, Rowan, Iredell and Cleveland
  - SC: York, Chester and Lancaster

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Options for MWBE Ties To Charlotte CSA

1. **"Principle Office" Standard**: Only include MWBEs certified by N.C. HUB Office that have principle office in the Charlotte CSA.
2. **"N.C. HUB Office" Standard:** Include all MWBEs certified by the N.C. HUB Office (which includes firms from all over the U.S.)

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Options for MWBE Ties To Charlotte CSA

3. **"Significant Business Presence" Standard**: Only include MWBEs certified by N.C. HUB Office that have a "significant business presence" in the Charlotte CSA. Two possible versions:

   — **San Antonio's definition**: MWBE has maintained an office in the relevant market for at least one year with at least 20% of the firm's employees based there.

   — **Another option**: MWBE has maintained an office in the relevant market for at least one year through which the firm has performed a commercially useful function and for which the firm has been paid at least $25,000.

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Project Timeline

Date	Activity
January 17	ED Committee • Communications/Marketing Update • Resource Needs
February 4	ED Committee • Review Recommendations before Council Retreat
March 4	City Council Workshop Presentation
March 7	ED Committee • Consider Council Recommendation
March 25	City Council Adoption
April – June	Community Outreach Campaign
July 1	Program Launch

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FY2013 Strategic Focus Area Plan

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

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

The City's economic development strategy focuses on supporting small business development, promoting redevelopment in distressed business corridors to support adjacent neighborhoods, creating a more business-friendly government and focusing on community endorsed high-growth industry sectors that support our efforts to attract and retain businesses and jobs.

Focus Area Initiative	Measure	FY2011 Actual	FY2013 Target
Help grow small businesses in our community	Update the City's Small Business Strategic Plan to include the following: • Potential Phase 2 enhancements to the small business web portal; • A review of the City's small business loan programs; • An analysis of the support system for entrepreneurs; • Innovative partnerships to help small businesses to expand sales locally; • Initiatives to strengthen the existing consortium of community resource partners	New Target in FY13	Plan update adopted by Council and 50% of initiatives underway
	Achieve an increasing percentage SBE utilization through combined formal and informal opportunities.	New Target in FY12	Meet a combined formal & informal SBE Utilization Goal of 5%.
Focus on continuous improvement within the permitting and regulatory environment to facilitate job and tax base growth and to improve the customer experience.	Achieve greater collaboration among the City, County and NCDOT to shorten the time it takes and make it easier to obtain regulatory approvals, including, but not limited to certificates of occupancy.	New Target in FY12	Eliminate system barriers, conflicts and impediments in the application of regulations.
	Average number of reviews on all land development permitting submissions.	New Target in FY12	Average ≤ 2.5 reviews on all plans submitted for FY13.

Focus Area Initiative	Measure	FY2011 Actual	FY2013 Target
Continue to focus on job and tax base growth in business corridors.	Along with community partners, implement the City's 2012 update to the Business Corridor Strategy which includes the following: • Expanding the utilization of Business Corridor Funds to all commercial areas within the Business Corridor Revitalization Area; • Increasing utilization and effectiveness of matching grant programs; • Exploring a new relationship with the Charlotte Mecklenburg Development Corporation (CMDC) to increase redevelopment opportunities. • Exploring ways to encourage the development and growth of merchant associations. • Evaluating a retail market assessment to help attract the right retail mix to underserved areas. • Conducting parking demand analyses, as warranted, to understand City's role in creating public parking to assist retailers and small businesses.	New Target in FY13	100% of recommendations underway; 50% complete by year end.
Work with economic development partners to grow and retain businesses in the community's targeted industry sectors of: • Energy/ Environment • Finance • Health care • Manufacturing • Defense • Motorsports • Tourism • Film • International firms	Work with recipients of Business Investment Grants to encourage the use of local suppliers and target gaps in the supply chain as either business expansion opportunities for local companies or prospects for recruitment.	New Target in FY13	Complete supply chain opportunity assessment with 50% of grant recipients by year end.
	Work with tourism partners to develop a plan for growing sports in the Charlotte Region.	New Target in FY12	Develop a new public/private model for adding amateur sports facilities in the Region.
			Attract sports and sporting events to the City.
	Leverage the Democratic National Convention (DNC) with our partners to: 1) attract corporate relocations to Charlotte; 2) grow customers for existing Charlotte businesses; and 3) promote the future location of consulate offices in Charlotte.	New Target in FY13	Catalogue, follow up and pursue the contacts gained from the DNC (via the Chamber, City and Charlotte Regional Partnership).

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Capital Investment Plan (CIP)

Economic Development Committee

January 7, 2013

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Items Referred to ED Committee

- Airport/West Corridor
  - Spine Dixie Berryhill Infrastructure (New Garrison Road)
  - Southern Dixie Berryhill Infrastructure (Widen Dixie River Road)
- Northeast Corridor
  - Applied Innovation Corridor
  - UNCC Informatics and Innovation Partnership
- East Southeast Corridor
  - Bojangles/Ovens Area Redevelopment
  - Public/Private Redevelopment Opportunities
  - Streetcar Infrastructure Project/East-West Revitalization

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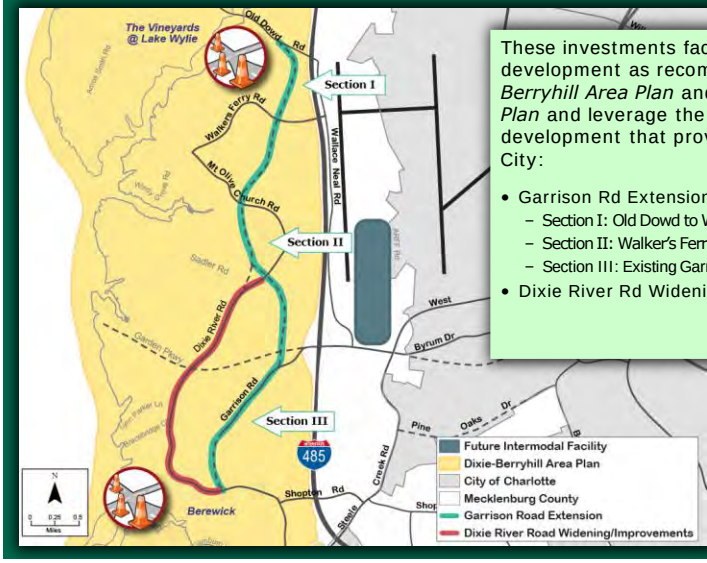
Investing in Corridors
Airport/West Corridor

Infrastructure to Leverage the Intermodal Facility



These investments facilitate economic development as recommended in the *Dixie-Berryhill Area Plan* and the *Westside Strategic Plan* and leverage the intermodal facility for development that provides quality jobs for the City:

- Garrison Rd Extension
  - Section I: Old Dowd to Walker's Ferry ($10M)
  - Section II: Walker's Ferry to Existing Garrison ($13M)
  - Section III: Existing Garrison to Berewick ($7M)
- Dixie River Rd Widening/Improvements ($13M)

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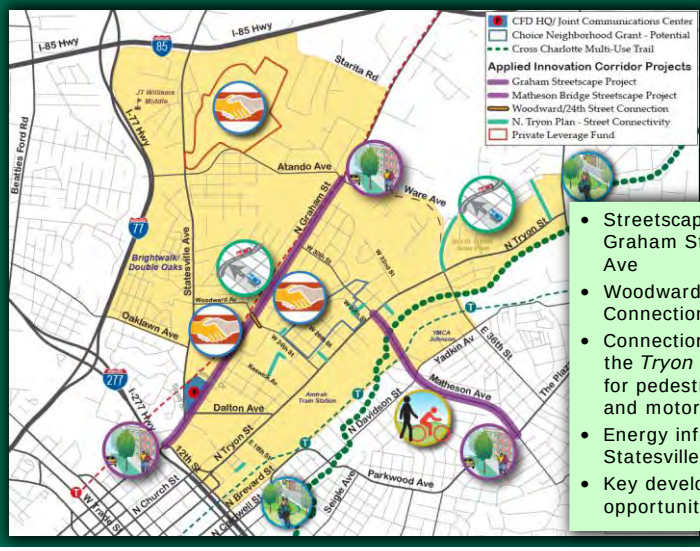
Investing in Corridors
Northeast Corridor

Applied Innovation Corridor



- Streetscaping along Graham St and Matheson Ave
- Woodward/24th St Connection
- Connections identified in the *Tryon Street Area Plan* for pedestrians, bicyclists and motorists
- Energy infrastructure at Statesville Ave Landfill
- Key development opportunities

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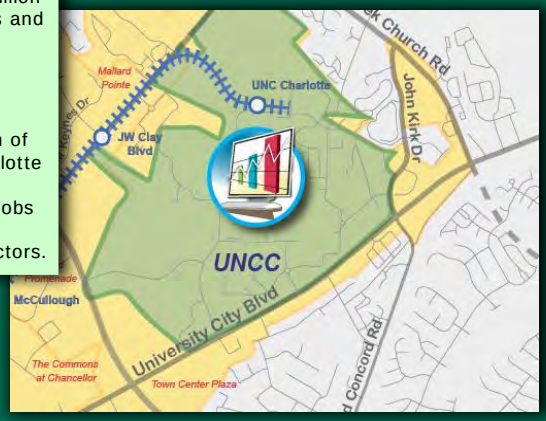
Investing in Corridors
Northeast Corridor

UNCC Informatics and Innovation Partnership

- A partnership to invest $10 million in the up-fit of the Informatics and Innovation Center at UNC-Charlotte.
- 20,000 square foot office and laboratory space.
- Spurs the creation and growth of technology companies in Charlotte and increases the number of regional "knowledge worker" jobs in the financial, medical, biotechnology, and energy sectors.



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Investing in Corridors
East/Southeast Corridor

Bojangles/Ovens Area Redevelopment

- Use existing City assets and public/ private partnerships to create a destination-defining amateur sports complex capable of hosting major events
- Convert Bojangles Coliseum to a multi-court, multi-purpose venue
- Acquire and redevelop adjacent hospitality parcels
- Improve area streets
- Potentially redevelop parcels on the north side of Independence Blvd

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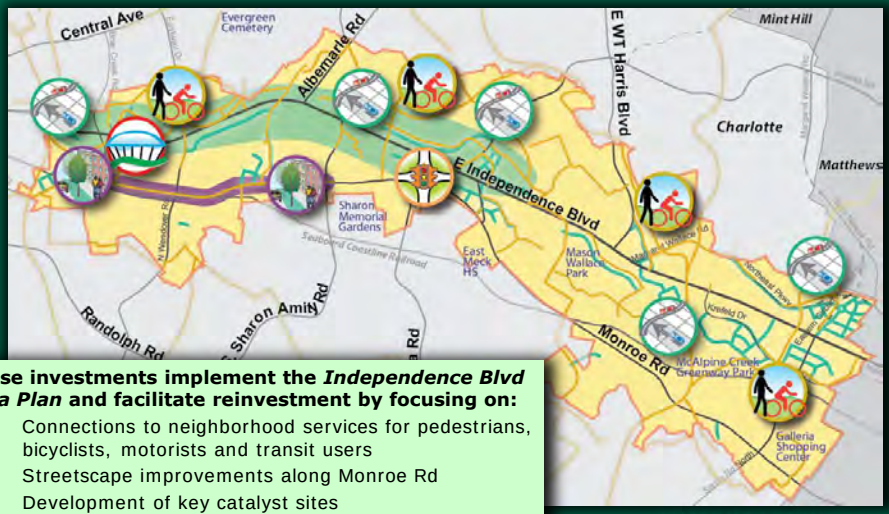
Investing in Corridors
East/Southeast Corridor

Public-Private Redevelopment Opportunities



These investments implement the *Independence Blvd Area Plan* and facilitate reinvestment by focusing on:

- Connections to neighborhood services for pedestrians, bicyclists, motorists and transit users
- Streetscape improvements along Monroe Rd
- Development of key catalyst sites

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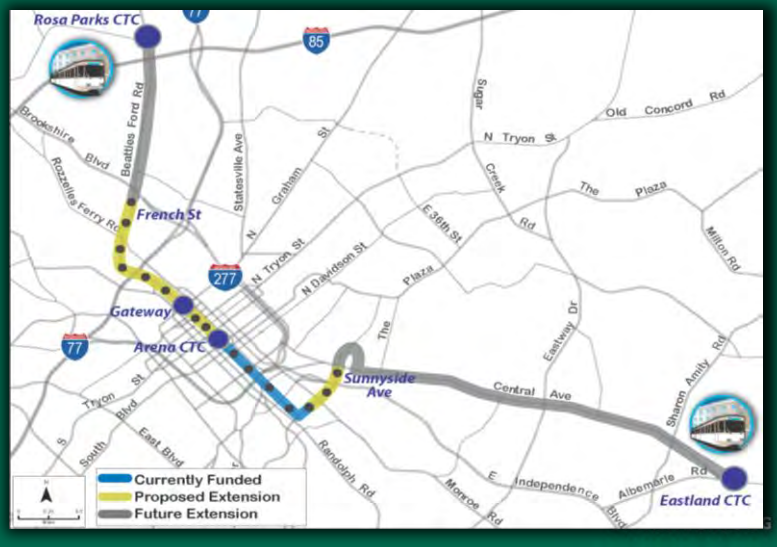
Increasing Connections
Streetcar Expansion

Streetcar Infrastructure Project