COMMITTEE AGENDA TOPICS

I. Subject: SBO Policy Revisions

Action: The Committee will continue its review of recommended changes to the SBO Policy with a discussion of the expected resources necessary for implementing the new program and proposed marketing/communications strategy.

II. Subject: Capital Investment Plan

Action: Staff will provide the Committee with an overview of the proposed Airport/West Corridor Improvements, beginning with a discussion of the City's strategy for capitalizing on logistics-related development and employment growth around the Norfolk-Southern Rail Intermodal Facility.

III. Reventure Update

Action: CMUD will present the second part of an update on the status of agreements that will form the foundation for regional wastewater treatment for the Long Creek basin in Mecklenburg County, Mount Holly, and Belmont as well as the purchase of land from ReVenture. Mount Holly's City Council has been briefed and is expected to take action on the agreements on January 14. CMUD requests the Committee recommend approval of three items to the full Council for action on January 28th:

- Memorandum of Agreement with Mount Holly
- Agreement for Mount Holly to purchase nutrient allocations from Charlotte in the event the regional wastewater treatment plant isn't built
- Purchase from ReVenture of land and nutrient allocation needed for the future construction of a regional wastewater treatment plant

COMMITTEE INFORMATION

Present: James Mitchell, David Howard and Warren Cooksey
Absent: Patrick Cannon and LaWana Mayfield
Time: 12:00 Noon – 2:00 p.m.

ATTACHMENTS

1. SBO Program Revisions Presentation
2. Resource Management and Communications/Marketing Plan Presentation
3. Airport/West Corridor Roadway Improvements Presentation
4. Long Creek Regional Wastewater Treatment Plant

DISCUSSION HIGHLIGHTS

Chairman Mitchell opened the meeting and asked everyone to introduce themselves.

Kimble: We are here today with three topics. We pledged to you at your last meeting to come back and have a conversation about resources with the proposed Small Business Opportunity Program

changes that you will be talking about further. We want to make sure we are aligning resources with the needs and with the expectations. Brad will run through that. Then starting down the path of our Capital Investment Plan projects, one that we would bring forward first is for Mr. Jerry Orr to describe to you the reasons why from a job opportunity, business growth perspective, tax base expansion possibilities that the roads west of I-485 and west of the Airport and west of the new Intermodal Facility, why that is an investment that might prove to be very beneficial from an economic return. There is one item that we want to come back to you again, we talked about ReVenture, but really it is not ReVenture, it is land for a new Long Creek Wastewater Treatment Plant is really the more accurate title of this in order to have the Char-Meck Utilities folks led by Barry Gullet and Barry Shearin come forward and talk about the need here. If you are so inclined with the information that they give you, if you are ready to make a recommendation so this could be placed on the City Council meeting for next Monday night, January 28th, and if you are not, ask the questions that are still on your mind, have them go back to work and then bring it forward to you again. It has moved forward very well with the towns of Mount Holly and Belmont and they are going to describe that to you so that you will understand where that project stands at this point in time. That is your agenda for today and I will turn it over to Brad Richardson if you are ready to go forward with the SBO Policy Revisions.

I. SBO Program Revisions

Richardson: My presentation will be two parts, I'll do the first and Kim McMillian has joined us to talk about the second part, which will be on the communications and marketing plan for the new small minority women-owned business program if approved by Council. I will conclude with the schedule, but I will just touch on it here. We are touching base with you now, ahead of a larger discussion at a subsequent meeting and we've got a schedule to share with you that proposes adoption in the month of March that will enable us to do some of this marketing and outreach that Kim will talk about, but I'll start off first by talking about a question we've had for some time about the resource needs for this program. We are changing it in a significant way. What this slide shows you is what we do now, how the program works. We've got six full-time employees dedicated to this work today. Our work is organized into those three areas. There are certification, compliance and support services which is just reporting, training development, capacity building for some of those small companies who certify with the City with the expectation of having some opportunity for work.

We've done a preliminary analysis of the things you are asking us to do with the new MWSBE Program and we think there is an opportunity to do it better. We will also lay out for you a plan, not this meeting, about positions. We have identified preliminary resource needs in each of three work areas. We will talk about that a little bit today and what that might look like and then we will talk at a future meeting what that might cost should you decide to implement it as well. You should know ways to use existing resources that do new work.

Nancy is out sick today or she would be making this presentation. This is Nancy's job, she is our Program Manager and you know her well. She oversees this work. This is a deeper dive into those three areas I talked about. One is certification, what do they do. We've got two folks that work on analyzing, taking a look at financial documents for those businesses who want to certify with us. There are sites visits involved. There is looking at financial information and often times just working with them just like technical assistance. We've got two resources dedicated to this work. We've got about 800 businesses today certified under our SBO Program. We've also got some resources

dedicated to compliance, both with our construction contracts. There are 70 plus construction contracts each year lead by the City on average, so there is goal setting, pre-compliance, making sure the bids are in conformance, making sure Council Agenda items are correct and there is the post compliance after the project is wrapped up, what is the reporting that needs to be done and did the goal actually get met. This is also where we see a need for third party compliance, development agreements, financial partners; all of these agreements have goals set by you for SBEs today. The final one, Support Services, this is simply monitoring and reporting, utilization reports year end and outreach training and development. This is the scope of the work.

Mitchell: Brad, how many resources do we have right now in compliance?

Richardson: Of the six we have a Program Manager; we have two that are in compliance.

Mitchell: Does Natasha fall into that?

Richardson: Natasha is what we call our Small Business Services Manager. It is a shop within our Division that works on small businesses, but large and that includes things like loans for small business, the Charlotte Business Resources web portal and most recently adopted the High Growth Entrepreneurship Strategy. That is the world that Natasha lives in.

Richardson: Here is the last slide I have and it is setting up for a larger discussion at our next meeting. Let me just tell you some of the preliminary findings of some of the gaps we see in some of our services as we implement a new MWSBE Program. First of all in certification, we've talked to you before about the need to register those minority and women owned businesses that are already certified and registered with the State Historical Underutilized Business Office. One thing to note here is more minority registration companies. We are also reaching an additional five counties. The Disparity Study determined, you will recall our combined statistical areas, 13 counties. Our current program at work is in eight counties so we are seeing a need for additional labor here.

Two opportunities in compliance. We've talked a lot through our Disparity Study Advisory Committee, some of the community forums, 95% of our focus today rather is on sub-contracting and construction. You've talked about the need for service contracts, things like catering, printing, information/technology services so we don't have a resource today working on service compliance. It is an area of opportunity if you so desire. Then the second compliance need is what we call onsite construction monitoring. This is one we may or may not bring to you as a recommendation. We are going to spend some time with our Engineering & Property Management team. We've got project managers today out in the field monitoring construction sites. This is a different conversation. This is a conversation about is the sub-contractor on the site the same sub-contractor you said you would be using. It is building relationships in those 70 plus construction projects in the community today with a conversation that sounds a lot like, are you using minority, women, certified small businesses to the degree you promised and are there opportunities to do more. That is what we mean by onsite compliance. We don't do that today.

Finally in that third category of work we do broadly called Support Services, we think there is a need to do more outreach and communication. Kim will talk about the focus of that work, this talks about how we might implement it.

Howard: Right now we would approve a contract with someone who qualified and there is not a lot of going on onsite to make sure that is actually happening the way it was told to us?

Richardson: Not by the Small Business Opportunity Program staff. There are Engineering project managers that are onsite and monitoring the projects. I would just suggest to you their conversation is a lot more about timing, budget and those types of things. Our one compliance officer today that works in construction sub-contracting is more in the office, paperwork, working as a liaison with the department to make sure the numbers reported are the numbers accurate. They are not onsite.

The last bullet here is training and mentoring. We talked to you about Mentor Protégé, the program that many of you talked about. It will no longer be an eligible Good Faith Effort component. However, if you desire to do a robust Mentor Protégé Program or do more training and development, capacity building, that is a resource that we do not have on staff today to broaden that into perhaps a more effective program. Initial look I'll call preliminary, when we see you next, we will put some pencil to paper, we'll talk to some departments about shared resources, and we'll talk to Natasha's staff about how to accomplish some of this stuff. We're very mindful of how many resources, if any, we request from you, but we do expect as we mentioned in the last meeting, there will be resource needs to implement the program.

Mitchell: I would like to add a comment on Support Services which I think would make a big difference for us. I guess I see that role especially when you talk about the outreach. As we look at opportunities, I had an opportunity to sit in on Councilmember Howard and talked to Carolyn Flowers about opportunities in CATS. I do think and in my mind I see that outreach person going developing business or encourage businesses to be Utilities, Airport, transportation where we see that could be opportunities in the future and as much as we can be proactive and encouraging small businesses, I think that outreach will be a tremendous asset for us, particularly as we switch and it is not MWSBE but it is a lot of DBE. I think a lot of our community understands when you are talking about better roads, especially at the Airport, it is DBE certification. I'm excited about having that outreach person who can really engage and compare where we see opportunities as well as educate our SBEs about DBE opportunities.

Richardson: The other thing we promised to update you on is this idea of communication marketing. It is a see change and it is a big event in our community. We've got to market it well, talk about it well so we've brought in the best resource we could find, Ms. McMillian to talk you through this.

McMillian: Many of the team members that will be working on this are here today and they can get your feedback as part of the creative process. There are basically four phases to how we are going to be structuring the development of this plan and we wanted to talk about the packaging. The packaging is critical because we have to have a name that is easily understandable, we have to have a name that translates well and once you get that name you start to develop the graphic elements. We don't use just a tagline, taglines are good but we like to use the word " brand promise" because we are delivering a promise and that builds our brand so that is the distinction. We will have a communications marketing plan and that plan will be developed to address the key business of the program and the key messages. We also feel that an education and outreach campaign is a component of that overall communications and marketing plan to address the very issues that Brad

shared with you earlier, how do we develop more mentoring and how do we develop more training and that is part of the outreach program. Finally, measurement and that is going to be critical and we will talk about some creative ways that we may be able to measure the impact of the campaign. When we go into the main development process, the process that we will be using would be to get input from stakeholders and of course our Council is one of our key stakeholder groups, but we will consult with the Disparity Study Advisory Committee's report and results and we will also utilize our Business Advisory Committee. There are a number of other stakeholders but we just wanted to give you a sense of who all we would involve. We would also look at the implication of the policy and revision into developing a name and we would look at lessons and best practices from hybrid markets. Some of the markets that have been proposed that we look at would be San Antonio, Denver, Atlanta, Greensboro and Durham for starters.

Name development considerations, we believe that Council's primary goals are to convey to the community that we are working to diversify our spending. We are also focused on equity and inclusion and we have a desire to build goodwill in the community. The attributes, some of the components in developing the name, the qualities, the characteristics when we think of this program, we want our potential partners and participants to feel like the name is inclusive, it presents opportunity, it conveys success, it is a support type network for our local business community, or our 16 county market now, and it does instill relationship building, it helps you grow and expand your business, it is an opportunity to network and most of all it is a trust building proposition. The graphic element and brand promise will evolve from the name.

The Timeline – if we are on the right track, given what we've shared with you today, we'd like to come back on February 4th and present some initial names. They will not be full blown concepts, but we would like to present the name. We would incorporate your feedback and then we will develop a stakeholder's survey that would put the name and possibly the brand promise out there and there is lots of databases and lots of people that we can connect with in order to get feedback. This worked very well for us when we developed the Power2 brand. We had two finalists. We had energized Charlotte and Power2 Charlotte and that is where we got to the Power2 Charlotte. Then the proposed name, graphic element and brand promise would be presented at the February 21st Committee meeting and then included in a March 4th Council Workshop update.

The Component – The internal education to prepare for the launch, we believe the work that we have ahead of us is to develop the key message for the program, explain the revision and benefits. We would develop an FAQ, not only for internal staff to be able to field questions, but we would also have a FAQ for the current participants or for the people that we have yet to engage in our program. We would absolutely have to explain the new process. There are probably guides and procedure manuals that need to be developed. The Internet would be a critical tool for us. Our C-Net site has recently been overhauled in the last year and a half and that is a wonderful launching point internally to connect with all the folks and their departments that are represented here today. Then we would do internal meetings and trainings with our liaisons. We have a wonderful opportunity to collaborate with our communication colleagues regarding internal needs and external opportunities. For example, the communication staff within procurement, within Shared Services. That is another gateway for us to interact with potential participants. The timeline is March–April with detailed deliverables to be determined.

For the database marketing, we would be using existing databases in Economic Development and various departments. We would also research our sub-sites within Charlotte and C-DOT and Charmeck for example, who are those people currently doing business or bidding Engineering & Property Management projects, etc. We have all those databases to potentially utilize to market. The opportunity map is an idea that came out of our initial meeting with the Communications team. The opportunity map is getting the data from HUB and being able to plot on a map where we have gaps, and then we would do a more targeted direct mail to those specific individuals and then we could measure the rate of return or the return on investment.

Mitchell: On the opportunity map will we show some sensitivity to make sure that we have most of this in two languages as a reflection of our demographics in Charlotte?

McMillian: Absolutely, we have resources to do that.

McMillian: We would use as mentioned before the Charlotte Business Resources, all the tools that we currently have in our toolbox. We would leverage our partner relationships and we would have a media strategy to go along with this. The timeline again is post Council approval launch and the ongoing activities throughout the first of the year. Here are some of the examples I mentioned before, how we would move the dial, how would we measure our success. Obviously increase registrations and certifications and we would be able to see what has been generated from doing a targeted direct mail based on the database I described before. We would be doing this July 2013 – June 2014.

Howard: You would promote this across all the City's external communication tools, all of our websites? The City of Charlotte's website and one that comes to mind is Charlotte Business Resources.

McMillian: We would also put this front and center on the Focus Area page for ED. We have that as a potential venue, but I think that is critical developing the logo, the Icon, almost the Good Housekeeping seal that could be easily put on the various web pages that you are talking about.

Howard: I always thought it was important for people to know that we are not just giving you resources for other places. The first place is how do you do business with us. We spend a lot of time sending people in that direction. Before we did something totally different, we have this great site up already. It is almost like we wanted to be all things small business and we've promoted it real well.

Richardson: I will add onto that if I may, that around May of this year we expect to have the small business web portal, Charlotte Business Resources upgraded and some improvements made. Already contemplated by Council when they approve the original contracts in May, about the time the program launches, there will be additional marketing dollars focused on the website itself which will help Kim in her efforts to help us market the change to the SBO Program.

Mitchell: The method of measurement – I think a third bullet point would be testimonies from what is the prime with the SBE about how to program this work, increase our opportunities. Hearing from SBEs I think would be very powerful. For instance, maybe we create our own app so someone pulling up an app about our program as we get more technology friendly.

McMillian: I didn't get to list all of the tools in the toolbox. That would be flushed out and included in a comprehensive marketing plan, but the power of the video and that is where we would literally go out and profile some of these SBEs, women businesses and we would utilize our Government Channel. That is a very powerful media when you actually go out there and get people on location, onsite in their business. We see a lot of potential in the YouTube and the videos going up there.

Richardson: If there are no more questions for Kim she will be back on February 4th with the preliminary name. Just to remind you where we are headed to get to our program launch July 1st, the next Committee meeting we will talk more about those resources and talk about preliminary names. February 21st is a really important date for us since we want some finality as much as it can be at a Committee level because we really want to go into the City Council Workshop on the 4th with some sense of consensus from the Committee on what we are doing to save percent. After the Council Workshop on the 4th, we look for your recommendation at your first meeting in March if you are so inclined and feel good about where we are to date. That will enable us to adopt the program changes on the 25th of March, giving us a window of about a quarter to spend some time marketing to the community.

Mitchell: May is always small business month; small business week and I think that is a great opportunity to really do as much marketing as we can about the new program.

II. Capital Investment Plan

Kimble: Starting down the path of reviewing your Capital Investment Plan projects that were in the proposed package, we wanted to suit up first the area west of the Airport, west of I-485. Mr. Orr is probably best of all of us to be able to kind of frame the logistics side and the economic engine of the Airport. I will turn it over to him to carry this part of the conversation and then we will entertain questions.

Orr: I'm used to talking standing up and talking down to you and the reason for that is, if it doesn't go right, if I'm standing and you are sitting. I've got a head start.

Mitchell: Jerry, that was a nice article in the Business Journal so congratulations to you.

Orr: I run your Airport for you and for the next few minutes think of the Airport as a business that generates $10 billion per year in economic impact and creates 100,000 jobs in the region. All at no cost to the City of Charlotte or its taxpayers. What I want to talk about is an opportunity for you to invest in infrastructure just a little bit that will generate in my opinion, a considerable amount of tax revenue and a considerable number of new jobs. We did a strategic development plan back in 1994 with Michael Gallis so that is why you see all these weird looking pictures on it. It is a living document which means there is nothing inside at all so we can just hold that up and talk about what it says to any audience at any time and it is always current. What it says is we are going to bring together air, sea, rail, road, power and communications all on one coordinated site. We've taken a lot of steps toward doing that. We've created an Airport that is now in the top ten in the country in terms of passengers boarded that get you just about anywhere on a non-stop flight. We've created a rail yard which will soon be open which links us to several seaports on the east coast and I will talk a little bit more about that. You see satellites up here, communication which ties business together. There were

a couple of articles in the paper in the last month or two about data centers and Yorkmont Road, which is one of the main roads at the Airport and it is one of the most intensely developed communication corridors in the country. Huge data center out there now, a private data center and it is the largest in North Carolina. All of US Airways data runs through a center that is on the Airport. I'm not supposed to tell you where it is for security reasons. You also see that we've included a cloud up here even though in 1994 we didn't know what the cloud was.

Howard: Forward thinking, you created the cloud Jerry.

Orr: Well, if you say it first then you might get by with it. If you don't somebody else will say it first. This is 1994, and this is subsequent to that. That is a book written by Dr. John Carsada at UNC who was a teacher, not a business man, I might point out. He sold a lot of copies of this book and made a lot of money. I haven't gotten paid anything for this but this says the same thing as this. Airport Cities and the conclusion of this is that we need to create an edge city in Charlotte that brings together all of these things in one coordinated site. In the paper last week, there was an article and I scanned this. It says Charlotte the new Austin and we're not a lot but a little envious of Austin, Texas. One of the things it says among the top markets, San Francisco, New York, and San Jose, large cities near ports known among investors is 24 hour gateway cities. That is what we are talking about here. We can't be a port so we do the next best thing and we build the rail yard and we can get the containers from the port to Charlotte without ever getting on a highway. That is as close as I can get to a port. We are not the first people to talk about this. This is a group called Airport Cities. That includes Memphis, Denver, Kirov, Warsaw, Dallas/Fort Worth, Halifax, Frankfort, Vienna, all over the world. People are looking at creating Airport Cities.

Mitchell: We had a chance to go to Austin, Texas as part of our inner city visit about four years ago and why Austin, Texas because of the vibrant downtown and the airport. Why was Austin?

Orr: Because they are such an intense data and Internet city. They are on everybody's mind.

Mitchell: This entrepreneurial kind of structure in Austin.

Cooksey: University capital.

Kimble: Like 56,000 students downtown.

Orr: We have worked out a very clever system here. I may have shown you this before but remember that ports defined cities a long time ago and then railroad, then highways and then air travel. Like everything else, including merry-go-rounds, if you stand still everything will come around and go back to where you started. Ports are increasingly the center league of the global economy. We are in a global economy. You can't see this very well, but this is the United States and the red areas are the population centers. This is what we see as the three major areas along the east coast. Atlanta, Charlotte and New York. We put Charlotte in here because if we do all these things that make us resource rich, we can be a player with the big companies. We've got to do it all, we've got to be quick, we've got to do it right and we've got to do cheap. These are the major ports on the eastern seaboard, Charleston, Norfolk, Wilmington, which is not one of the major ports, but is on the eastern seaboard.

Mitchell: Where is Savannah?

Orr: Savannah is right here. Savannah is the biggest port and then there is Jacksonville right down here. Our rail will feed Jacksonville, Charleston, Savannah and Norfolk and it will feed into Charlotte and you can get from all four of those ports without getting on a truck, and then from Charlotte you can go into the northeast, up into the Chicago area. We sit on the main line of the Norfolk Southern, one of the four major railroads in the country. I like that because that picture kind of says all roads lead to Charlotte and that is the image we try to create. I've been told that if you say it enough some people will start believing it.

The Airport, the terminal area here, the maintenance and cargo area over here, corporate aviation over here and our runways, our new runway here, our rail yard in here which is on the main line of the Norfolk Southern which parallels US 29 the main street of every significant city between Boston and New Orleans. In long terms where we are headed with the Airport, and you know because I've told you before that we are rebuilding our road system out here, investing some $20 million dollars, Airport money. We are rebuilding our parking deck an investment of $120 million Airport money. We opened this runway, an investment of $320 million two years ago and we plan to build another runway right in here, the rail yard is right in here, an investment of about $90 million, not our money, but Norfolk Sothern's' money, and then the opportunity to close this cross wind runway and build additional concourses after a year and over time create a footprint of the Airport which is identical to Atlanta, which is the largest airport in the world.

Mitchell: Is that Dixie River Road?

Orr: This is Dixie River Road right here. This is the new interchange at Garrison Road which will be West Boulevard straight to South End and downtown. When you stand right here on top of the hill you see Bank of America tower sitting right in the middle of the road, a short six miles away and all of this over here is about 5,000 acres between I-485 and the river, essentially undeveloped. Because it is undeveloped, there are no roads in here and they don't connect to anything and that is because the Airport is when we sit on one side and the river on the other side so you can't connect to in here. A great opportunity to build on the platform that is being created here on 6,000 acres at no cost to the taxpayers.

Howard: When you look at that it makes it even clearer that if you wanted to grow any direction, you want it to be across the freeway because you have all those neighborhoods that we don't want to hear from. There is no place to take advantage of development in this side at all?

Orr: It is pretty much developed. We are a little over five miles from downtown Charlotte.

Howard: Actually we've been given a gift with all that vacant land over there. In a lot of areas they grow that much and they don't have any place to go for supporting buildings.

Orr: What this shows you is that roughly 50% of the current zoned and used industrial space is right here in these two zip codes on the west side of Charlotte. As an edge city, this edge city that we propose out here is not a residential edge city for exactly the reason I mentioned and if you want to

develop warehousing and industry manufacturing over in here I would predict that you are going to meet with some push back from neighbors. Your entire transportation infrastructure is over here; see how close the interstate is right here. See how far it is right here? Do you really want tractor trailers running back and forth across town all day long? We looked at this and remember we did this back in 1997, and we looked at general zones, zones that if you look at the topography, if you look at the water flow, if you look at potential roads, water/sewer these represent tracks that could be developed as part of this edge city, all surrounding the Airport here and the green is Airport owned land which now includes a little bit more here.

Howard: There have been some houses over there, very sparsely developed over there. Does the Airport own anything on that side because of buying already?

Orr: Yes sir, we own probably 300 acres over there.

Howard: Concentrated in any one area?

Orr: It is along I-485. Some of it is area that we bought, remember we bought this land in here before the freeway was there and there were some pretty big tracks of land.

Howard: Do these roads we are talking about actually touch any land the Airport owns already?

Orr: Yes, we do. This road is essentially this road you see right here on the development plan. You need a road that runs north/south up through here at some point because the only way you can get there is on the interstate unless you take a very circuitous route here.

Kimble: There are also County-owned lands in or near this area for park properties and it can be open space. There are also opportunities for public/private partnership and you've talked about even some of those that go all the way down to the southern end with Tanger Outlet Mall. Also there are some large developers that own hundreds if not a thousand acres in this area that are prime for development with roads in this area.

Howard: One of the reasons we are looking at these projects is trying to figure out if they are viable and if there are other ways to do what we are talking about. I'm sure you guys have looked at this already. Considering that we own the land already that means that going out to the market to see if there are deals that could be made would be something that Jerry would have heard already and something that we are in position to do. Now we are not just talking about putting in roads, we actually have land, and I guess I should ask Jerry if he has plans for the land that he owns on that side with the Airport, but if not it seems that is a perfect RFP to go out to and see if there is something there now so we can see if there is any way to bring that number down on that side. Has that been looked at or contemplated?

Kimble: We don't own the land that the roads would actually go on. One of the things has to be you get into a conversation with those land owners about dedication of Right-of-Way becomes a really big important thing that we get the kinds of Right-of-Way that we need for the roadway network that would serve the area.

Howard: That is what I was asking if there was land that the Airport or the City owned and that maybe helps us with the whole when it is not in the City limits conversation to start a conversation with developers now.

Kimble: Developers are aware of this opportunity. This is a concept. These roads are a concept. How you put in place a concept has a lot of different pathways to go and that is why I think we put this money in 2016, several years out so that we have the opportunity for that kind of discussion to take place because it is going to take months to have those kinds of conversations, if not a year or two, and that is why in the bond program, as you space out your needs for the next eight years, this doesn't have to go in the immediate bond referendum that you were considering, it could go in a middle years bond referendum.

Howard: If I look at the rezoning and just look at the signs on the property as I drive by, there is probably a handful of people right now in our market doing the type of flex space that we are talking about and I wouldn't know about anybody looking at the big tracts of land, that would be part of what we do with the Chamber. Have we done that type of thing already? Have we talked to the E.A.S.T. group and the guys that are developing the flex stuff out there as well as make sure the Chamber knew we have these tracts that we would be willing to partner with people on? Have we gotten to that level yet?

Kimble: That awareness is out there since March of last year when this concept was put forth and there are conversations that are taking place among them at the same they are taking place among us and public partners and Airport personnel. To make sure that we master plan this area properly, it would appear that more of your commercial type flex space development would be along these roads and to the east, but you have to master plan the area and make sure there are some residential component too that could go as you go towards the river. It is making sure that the right plan is in place for this entire area, north to south and east to west.

Howard: What I'm trying to say is that it would be, if it doesn't go out to the market first to see what their willingness is, this is all in the name of what Mr. Cooksey asked us to do when we started this conversation, taking this piece by piece to see if there is another way to do it because I'm going to wait until you guys finish and put the road in and I'm not going to even talk about whether or not I would participate in that at all. I'm just trying to figure out from sequence standpoint, is there a way to get in front of it or not just being able to see if there is some participation ahead of time.

Kimble: We are not going to be able to build the roads unless we have the right-of-way. We are not going out and acquiring the Right-of-Way, we've going to ask for a partnership opportunity where that right-of-way is created for us and then we build the infrastructure that can then potentially create the connection.

Howard: But that is a conversation we can have now.

Kimble: Those conversations are constantly occurring.

Howard: You understand what I'm saying? The whole point of us going back through these is to figure out if there is something we can do so we can say we've brought the number down potentially.

Kimble: There is a school of thought that could say don't make this offer yet. Wait, but it is a concept and we are going to have to create the connectivity between I-485 and the river that will help grow business and jobs and support the Airport Intermodal Facility. How you do it, there are many different ways to skin that cat.

Orr: This was done in 1994 with Duke Power, Bell South, Sealand, Norfolk Southern, CSX and several other major companies and corporations in the area. We sat down with business and asked them what they needed from the Airport and this is what we got. Then this went into the Chamber's Advantage Carolina.

Kimble: So one thought is, don't make the commitment and the promise until the land is assembled and the Right-of-Way is created. There are many different ways to go about this.

Howard: I think the goal here for me would be not to ask for more than we need. If you could narrow it down to a deal, that would feel better. It is kind of the whole idea we have with partnership money that we are talking about with the CIP. This is almost like as opposed to a project it should be maybe Airport partnership money so that we can negotiate and not know automatically you are going to get a road.

Mitchell: I think you are right on point Mr. Howard and I have truly become a fan of the importance of the Airport. I think I was the average person, you fly and you hear comments that our Airport is one of the nicest airports. I just got back from Coral Springs, Florida and they were raving about our Airport being clean. Now I actually take time to go through it, to look at our Airport and compare it to other airports. Now I truly appreciate it and a catalyst for the way people view Charlotte differently. It would be helpful to me Jerry if you could prioritize. We know there are different options, but I think we should prioritize developing the four purple land.

Howard: That is the old layout. That is not the way it is?

Orr: It is close enough.

Mitchell: You might tell us that priority number one is building the road. I think this is a great opportunity to talk about the Master Plan of the Airport as we continue its growth. We really appreciate and understand that we do have the 6th best airport in world. It is busy, it is clean and I think getting our priority from you Jerry and Ron would help us in our discussion.

Howard: You make another good point and that is why I asked you what we own. Part of the conversation should be if we phase in, where do we start and if we have it over there and part of this whole big plan that Jerry has been talking about, and I know you have thought about this already. Part of what I'm thinking about is this was never couched as part of the Airport Master Plan. It was called the Berryhill something on the CIP. I know that is probably on purpose so they didn't feel like it was a part of what Jerry was doing with all the other money that is being spent out there. I think a lot of other people like Mr. Mitchell just said understand how important this is. Not that this part wouldn't have sailed through anyway, but I think it makes it even stronger when you say it is part of the Airport Master Plan, so it is Airport Master Plan/Dixie Berryhill because the majority of what we are

doing out there is not trying to develop the area like we are talking about along Monroe Road. We are not trying to enhance neighborhoods. The whole purpose of this investment is to take advantage of the investments at the Airport.

Kimble: You are right, it was strategic and purposeful to call it that because some folks don't like the fact that the Airport is going to be expanding and also the FAA wants Jerry to spend Airport money on Airport ground and this is a CIP to help grow an area that was part of the Dixie/Berryhill Plan, but just so happens to fit nicely like a glove with the Airport's future needs surrounding the Airport.

Howard: It is what Kim was just telling me about brand promise; we are building on something that is there already so we can say you can trust us on what we are saying with this one.

Kimble: The good thing is you already have an existing plan that pretty much still fits with this concept so your existing plan might need to be tweaked, but no more than tweaked. This is pretty good for this area as you planned it in the Dixie/Berryhill Plan back in 03 and 04.

Orr: This is the strategic plan and it has nothing to do with the Airport. It is not the Airport's Master Plan and as to whether we do this, the Airport could care less. It has nothing to do with the Airport. It has nothing to do with the operation of the Airport.

Howard: But it is the connection of the Airport with the City and the catalyst for development.

Orr: The better factors of this are … of the taxpayer and the people.

Howard: I'm just saying we should take advantage of the connection to it. We wouldn't be talking about this if the Airport wasn't right there.

Kimble: Exactly, the main catalyst for this now is the Airport Intermodal project because there are businesses that are going to want to locate near the Airport and near that facility.

Mitchell: Jerry, I'm glad you made the point that you don't go the right because of the residents because we all have been bombarded by the calls about the noise and as we grow. I think once again, making sure we are proactive. If we know this is strictly industrial area for the Intermodal then we need to be very creative about what businesses go in that location.

Kimble: We want it to be upscale, quality and we want it to be environmentally sensitive in that there are some areas here as you get closer to the river where it is challenged from streams and wetlands and the types of environmental consciousness and that is part of the overall strategy too. It is taking into account, but you want it to be a great center and you don't want it to be your average industrial park. It needs to be an upscale business corporate park.

Howard: It could be a little of both because we have a lot of manufacturing that needs water too. If you think about it from a land planning standpoint, it is kind of all things for all people. It is transportation; it is water absolutely everything you need in a smaller place if you could fit in this area. It is also really about this intermodal yard. How much are we talking to Norfolk Southern as a part of this conversation because all our names are the five or six names I see out there on flex space

now and maybe some people are not in this market at all that would come along with Norfolk Southern. It is who their partners are and who they've seen. They are moving stuff for people in other places and those people want to be here as well. It seems like Norfolk Southern would be a good person to bounce this idea off of to see who they know and who they think would be well served to as well.

Orr: Norfolk Southern was one of the participants in this in 1994 and this is why Norfolk Southern is here today. We are joined at the hip with Norfolk Southern as well as the airlines.

Howard: We are telling them we are ready to do this so they can be ready because it is to their benefit as much as it ours.

Kimble: You haven't said that we are doing this yet. It is a proposal.

Howard: While we are talking about that, it would be real nice to talk about co-developing this with Norfolk Southern. How about that? They can have some of the benefits too.

Orr: Remember when you take in a partner you have to share the profits.

Howard: If it is shared expense, it makes some sense to me.

Orr: If you will read your sheet of paper at some time it tells you a little bit about that. Acquire sufficient land around the Airport for the Airport envelope and what that simply means is to continue on the course that we've been on for a number of years. Since 1968, we have acquired several thousand acres to expand the Airport. Appropriately zoned land. All this land over here is zoned residential which means if somebody wanted to develop their land, they could go out there and put in a bunch of starter houses. That would be in my view a squandered opportunity.

Howard: How many residents do we have left in that area?

Orr: In this 5,000 acres?

Howard: Is that where the school is too? So we have a school and less than 200 left in that area altogether?

Orr: There is a bunch of mobile homes up on the northern part.

Kimble: The Dixie/Berryhill Plan doesn't count at all as residential, but the zoning is residential.

Howard: Even if we put that infrastructure in, it could just inspire them to go do what they are going to do anyway.

Kimble: That is why you may need to wait on the promise because you've got to offer the Right-of-Way and maybe it needs to be strong of a partnership.

Orr: The last part is to market this and you've talked about brand and we've envisioned the brand as the Charlotte International Airport because everybody recognizes that name. When I ask people if they have ever been through Charlotte they say yes, I changed planes there, but they know Charlotte and about where it is. The result of this is an investment if I may characterize it for you, an investment in some bond money that you can count on return and the return is in jobs and increase in tax revenue. Money plus jobs is quality of life and quality of life is prosperity and when people complain to me about aircraft noise, I say that is the sound of prosperity. You talked about not going this way and remember Central Piedmont campus is right here and there are lots of people in here.

Mitchell: How close are we to redevelopment of West Boulevard?

Orr: It is right there and lots of people in here who need better jobs.

Mitchell: Ron, from a schedule timeframe, the Norfolk Southern Intermodal Facility, what is the schedule of that?

Kimble: About one more year.

Orr: Open at the end of the year.

Mitchell: December 2013?

Orr: Yes, we don't fool around.

Cooksey: Once the ground gets broken, it just takes a while to get to that point.

Mitchell: We've been joined by two distinguished people, Beth Pickering and Pat Mumford.

Howard: I'm sorry to do this, but in the meeting today they are talking about an analyst from Dallas, talking about this merger. Have you seen that story?

Orr: What did the story say?

Howard: It said Dallas would actually gain and Charlotte would potentially lose.

Orr: My humble opinion is that person doesn't know what they are talking about. Dallas will gain and Charlotte will gain. We are okay with Dallas gaining for now.

Howard: They said the net sum is not going to be a lot of new flights and Charlotte's expense more than anything.

Orr: That is not the way I see it. I would point out that Dallas is not on the eastern seaboard where two-thirds of the people live. Neither are they geographically located exactly half way between the northeast and Florida.

Mitchell: Ron, as a refresher, the Airport/West Corridor, do you remember the budget item?

Kimble: $43 million, $13 million for widening Dixie River and $30 million for the entire Garrison Road Extension which is the north/south.

III. ReVenture Update

Kimble: We have exciting news, good progress and this is really land acquisition and negotiations for a regional wastewater treatment plant, so that is the way from this day forward we will categorize it. I'll turn it over to Barry,

Gullet: I want to start off by saying that Jerry's presentation really teed this up very well and one thing that you heard Jerry say was that if you say something first and if you say it often enough people will start to believe it. Well, what I've heard over and over and what I've become to believe is that Charlotte is going to grow and Charlotte is going to prosper and because of projects like you just heard are going to contribute to that and that is what I believe, but what I know is that if we don't have water and sewer to support all of that, it won't happen. The project that we have teed up today for you is really looking long term at how we are going to those needs of managing our natural resources and providing water and sewer to support all the prosperity that we know is coming down the road. As I mentioned when I talked to you before Christmas, we were really rushed then, but we are in the planning phase and what we are trying to do now is lay the ground work and lay the framework for how we meet particularly those wastewater treatment needs over the long term. What I want to do today is do a real quick review because we rushed so much last time, just a quick review of what this project is all about. I hope that the Committee today will make a recommendation to Council. We have this lined up to be on the full Council agenda for January 28th and we are going to talk a little bit about the agreements and what we are actually asking you to approve.

Gullet: (used a PowerPoint for his presentation)– Right now we are sending wastewater all the way from Northlake Mall all the way to Pineville. What this does is replaces an existing pump station with a regional wastewater treatment plant and the thing that makes it work is that it is regional. It has to be regional because the facilities are already there and because of the regulations and the requirements for protecting the environment. The project is needed to protect the environment, provide for this economic development like we just talked about and because there is a limited opportunity. The window of time to plan this and get it underway is very limited because if we don't do it now, Belmont and Mount Holly are both going to have to make major investments in their wastewater treatment plants. If they make those major investments, that pretty much precludes the existence of this regional plant. It just won't be feasible. The other piece that is going to happen is the land that we need to build this treatment plant on is going to go away. We need to seize this opportunity today to bring all these pieces together for the future.

Howard: Why would it go away?

Gullet: The opportunity goes away because of the investments that the other cities are going to make are going to be really big. The land is likely to go away because there is a lot of pressure for development. ReVenture has plans for the rest of the site. They have discussed plans for this part of the site and we've been working to obtain this piece of land for years, even before ReVenture came into the game. That is why it will go away.

Howard: So Mount Holly and Belmont, what kind of pressure do they have? Is it coming from bond referendum or something or do they just have to make a decision sooner than later?

Gullet: The State of North Carolina has already given both of those cities a firm hard date that they have to comply with new treatment requirements and those dates are less than a year off. They have to make a decision or they are going to invest tens of millions of dollars in their own wastewater treatment plants or they are going to enter into this partnership with Charlotte to build a regional wastewater treatment plant and if they do this partnership that we are proposing, there are a lot of moving parts to this, but one of the moving parts is that we bring the overall Lake Wylie area into environmental compliance so that we can defer and delay their investment until the time comes that we need to build this wastewater treatment plant. If you remember we went through all these numbers last time about how the prosperous and nitrogen allocations work so this is really how the regulatory compliance happens. I won't go through those again today unless you have particular questions about them.

Howard: Did I see something on the news recently about us taking and spreading out our bio solids? Now we are responsible for spreading out that sludge for Belmont and Mount Holly as a part of this?

Gullet: We will be, but the part that comes from them is very small compared to what we are doing. The wastewater treatment plants are not magic; they don't make anything disappear so anything that goes in has to come out. What we try to do is separate it, clean it and put it to the best use. We try to put the clean water back in the creek and the bio solids that come out of that, we treat those and then they are used beneficially on farmland. Yes, we will get paid to do that and they will pay the cost of doing that, but that will be part of the agreement. That is how the numbers would work in the future with the proposed treatment plant. Really what I want to get into today are more the agreements and what we need right now from you and what is going to be on your agenda on the 28th to approve. The first thing is to purchase the land and the nutrient allocation from ReVenture Clariant. We've been negotiating for quite some time and have agreed on the prices and the terms of those sales so we will have that agreement. The second thing is a memorandum of agreement with Mount Holly. This is a planning document and just authorizes staff to keep working and it kind of lays out what we think the terms of the final interlocal agreement will be, but it is non-binding. Mount Holly City Council approved this MOU last week so their part of it is already approved.

Kimble: We also have the one with Belmont and that one has been approved as well.

Howard: I know you explained this last time, the nutrient allocation, explain to me what that is.

Gullet: Nutrient allocation is the amount of phosphorous and nitrogen that Lake Wylie can accept. The State has said there is a finite amount of phosphorous and nitrogen that can be discharged in wastewater and storm water for that matter, into Lake Wylie and all of that capacity is allocated out. Somebody controls it.

Howard: It is by the acre?

Gullet: It is by the panel.

Howard: What determine that, the amount of frontage you have on the river?

Gullet: No, it was part of a document that was developed 15 to 20 years ago that went through a scientific process, did water quality modeling and looked at the amounts that were coming from each of the sources and said this is how much of the pie you can have. Now what we are dealing with is how to reshape the pie, in other words, can we re-slice it a little different? The pie hasn't changed and the pie is not going to get any bigger. What we have is what we have and everybody got their slice of the pie except Charlotte. We didn't have a wastewater treatment plant there so we go no allocation.

Howard: Does the Clariant site have its own?

Gullet: Clariant has an industrial wastewater treatment plant so they have an allocation. The Town of Belmont and the Town of Mount Holly each had wastewater treatment plants so they received an allocation. We didn't have an existing wastewater treatment plant there at the time and we didn't have one planned and imminent at the time so we didn't get an allocation.

Howard: I was trying to understand what we are actually buying from Tom, so in addition to the 181 acres, we are buying their allocation of what they can put into the river.

Gullet: We are buying 36 pounds of phosphorus and 286 pounds of nitrogen per day.

Howard: Is that for our 181 acres or is that all of Clariant and what they get?

Gullet: Clariant is keeping 10% of what they currently control, their allocation, and they are keeping that 10% because they plan to continue to operate their treatment plant to treat contaminated ground water. At some point in the future that is either going to stop or they are going to send that to our treatment plant and when that happens, we have the option to buy that other 10% and the price for that is covered in the agreement as well. We would eventually wind up with all of their allocation which adds about four pounds of phosphorus and 29 pounds of nitrogen so we wind up with all of their allocation.

Howard: In addition to purchasing the land the allocation we are buying is all wrapped up in this 6.5 or is that just for the land?

Gullet: The land purchase is the 6.5 number and the nutrient purchase is $5.85 million in addition to the land.

Mitchell: So it is $11 million roughly?

Gullet: It is more than that; it is about $12 million total.

Howard: That is permanent allocation that is not something you are leasing from them?

Gullet: No, we will have the rights to that. This is a complex deal because there are so many partners and moving parts and people involved. The thing that we are trying to be absolutely sure of is that the State of North Carolina regulators are going to recognize all of this trading and transactions that are taking place. We are dealing with that through the permits that the State issues to operate these wastewater treatment plants. That is still pending and still has to take place.

Howard: How do you put a value on that allocation? Does each nutrient count for a dollar or something? How do you put a $6 million value on that?

Gullet: We looked at it a number of different ways. First of all, nutrient trading is something that is done in different parts of the country. It is kind of like the cap and trade philosophy and that is really what it is. They set a cap and they allow the people that have that to trade among themselves so that we don't exceed that total capped amount. That is what we are doing, trading nutrients so we've looked in some parts of the country and even in North Carolina there are places where they actually set a value for what a pound of phosphorus and a pound of nitrogen is worth. What we've found when we looked at that is, it is all over the board and it depends on the exact circumstances that the traders are in as to how valuable it is to them. It depends on what other options they have available, what can they do to otherwise comply with the requirements. We looked at that and we also looked at the value to us. What if we can't build this treatment plant, then what do we have to do to meet the needs of our community. We looked at all those different factors and there isn't a magic formula that you can plug in and it will spit out an answer, but we looked at all those factors and negotiated a number with ReVenture that we believe is fair and equitable and believe that is best value and the best deal for Charlotte Mecklenburg.

Howard: The land makes some sense. I did the math and that is $36,000 an acre. The nutrients part I think is going to be depending on whether or not the State tells us we can trade.

Gullet: The State has told us verbally yes and we are in the process right now of getting the language in front of them and the permits.

Howard: Will we have them before the 28th?

Gullet: No, we will not so what we are going to ask you to approve on the 28th is contingent on a couple of things. I want to also share with you one of the agreements that we are asking you to approve on the 28th is a back stop in case we can't build the Long Creek Wastewater Treatment Plant, this $5.85 million worth of nutrient allocation that we are buying would have little value to us at that point, but it would still have a lot of value to Mount Holly. What it would mean to them is they could use that to meet their requirements because their plant, if we don't build the Long Creek Plant, their plant doesn't go away. Their plant has to be expanded and they still have to comply with those nutrient limits that the State has set.

Howard: They will pay for it.

Gullet: They would buy the nutrient allocation back from us for the same amount that we are paying to ReVenture for it.

Howard: Why would we go forward with buying the nutrient allocation until we know we can use it?

Gullet: To make the process work and to get all the planning pieces in place, we really need to do it now. This has been one of the things that have made this drag on for so long and the whole purchasing process. We've agreed on the prices two or three years ago and we've really been trying to figure out how to deal with this nutrient allocation and how to reduce the risk that we buy something that we can't use. What we've come upon is that the best way to mitigate that risk is for us to control it as soon as we can and then for us to have this back stop agreement with Mount Holly so that if we can't use it in the future, they can and they will buy it from us for what we pay for it.

Howard: I think the only thing that gives me any pause is, the land makes sense and I get the land deal, buying something intangible and unqualified yet makes me uncomfortable because there is nothing to stop us from being left with an allocation that we can't do anything with at all. I'm going to vote to move it forward, but I just want to go on record to let you know that does give me some pause to say that we are kind of not sure we are going to have something that has value to anybody else other than us.

Gullet: We have the same concerns and that is why we've been working hard on how we mitigate that risk, how we back stop that. We believe this deal with Mount Holly is the best way to do that. Even at that, there is still some risk, but by getting the State to include this in the permits and by having the agreement with Mount Holly, we believe that we have back stopped it as much as we reasonably can. When we put this on the agenda for the 28th, Mount Holly has not approved the agreement for them to purchase this nutrient allocation. They have it, they are considering it. It is not a very long agreement and we think they are going to approve it. They think they are going to approve it, but their attorneys are still looking at it. What we are going to ask you to do on the 28th is to approve this deal contingent on Mount Holly's approval of the nutrient purchase agreement so that we wouldn't close with ReVenture on the nutrient allocation until that contract is signed and in place.

Howard: Will you make sure that is on the record when we vote on it?

Gullet: It is actually in the wording on the RCA.

Cooksey: Who with the State has the final authority to sign off on all that needs to be signed off on?

Gullet: The Department of Environment Natural Resources issues the permits so the Chair, actually the Secretary of course runs the Department but the Environmental Management Commission (EMC) delegates the authority to them so the Environmental Management Commission has the ultimate authority.

Cooksey: That is what I was wondering about. At the risk of being too glib, I would think that the Secretary would find this a useful thing to support, but I didn't know. I suspect there might be another agency with the delegation.

Gullet: The EMC has been supportive of nutrient trading in other parts of the State and we believe this meets the goals of the EMC. They are very concerned about complying with this TMDL so this

gives them a way to almost immediately comply with the TMDL and provides a lot of environmental benefits that they are after. We believe they will be very supportive.

Cooksey: The vote on Council within a week of a committee making a decision, how time sensitive is the 28th of January for you in the event there is an effort made to defer it for additional understanding?

Gullet: We would like to move it forward as quickly as we can. I can't tell you that it will be the end of the world if it gets deferred because it literally won't, but the sooner we can get the wheels in motion, the more certainty we can bring to the process. One of the keys to this is getting the State to continue the review of the Environmental Impact Statement for this project. The State will not continue the review of that until both parties have these agreements essentially.

Cooksey: In light of that, Mr. Chairman and Mr. Deputy City Manager, I would suggest a little extra effort made to draw the attention of Councilmembers not present at this Committee meeting or are not members of this Committee and not present, to this item in the Wednesday packet and maybe do some proactive reaching out to them and say what we can talk through prior to Monday. In a way benefiting from the concern about that issue on the last topic the principle still stands and I wouldn't want to see this get this delayed. Given how well you set up the contingencies if this than that, than that, let's go ahead and give you the tools you need to go ahead and get this job done in whatever way things go, rather than risk having a case of, well this is a complicated matter and can we wait on it a bit. I comment that idea to your attention please.

Mitchell: I was just sharing with Mr. Howard the same concerns and this is going to require a lot of work and I just asked Kim to stay back because you did an excellent job of explaining it to the four of us here. One thing I don't want this project to get caught up in because you are talking about $11 million during a budget process and at the same time there is a big ask for something else and citizens do not understand the importance of their water until something happens. We've got a $12 million allocation and you know we are going to get calls, why are you spending $12 million, why, for what, so Kim you really need to help us with some nice speaking points, and I would suggest a dinner presentation on January 28th and a vote on February 11th. I just think you allow Council to digest a very difficult topic for us and then in light of the $12 million you are doing the ask, I don't want a lot of questions coming for Ron, what fund are we getting it from, are we competing $12 million against sidewalks, we haven't done the CIP. Barry, I think your work is good, but we want you to be successful and I would say if it won't kill you on January 28th and you can deal with February 11, give us some time to make sure you get the right votes to move this project along.

Kimble: I don't believe you have a February 11th Council Meeting because of your Retreat. I will double check that on your Council calendar.

Cooksey: I know we don't have the 4th.

Kimble: If you don't do this on the 28th of January you are to the 25th of February.

Mitchell: Because we've got the formal budget, I'm not saying it can't be done I'm just saying between no 4th no 11th and you are doing the 28th, that is a lot of individual meetings with two Councilmembers gone and probably the other six you got to get it done in three days.

Howard: First we've got to start with Patsy, but having this schedule probably helps the argument.

VOTE: Howard made a motion to recommend to the full Council on January 28th to approve: Memorandum of Agreement with Mount Holly Agreement for Mount Holly to purchase nutrient allocations from Charlotte in the event the regional wastewater treatment plant isn't built Purchase from ReVenture of land and nutrient allocation needed for the future construction of a regional wastewater treatment plant. Cooksey seconded the motion and the vote was unanimous, with Cannon and Mayfield absent for the vote.

Gullet: I need to point out one thing on this slide because it is a mistake and I don't want to get tripped up on it at the Council meeting when you bring out presentation slides. That number is slightly low. You need to add $265,000 to that number and the reason is that if you look at this piece of land that we are buying, we have a pump station that we built some years ago that is sitting right there and when we built that we had already started negotiating for this property with Clariant. The deal at that time was instead of us doing a big Right-of-Way agreement and doing all of this, you all go ahead and build it and we will settle on everything at once. The $265,000 is actually lease money that we owe them for being on that site for all this time. That is the purchase price of the land, but when you see the number on your RCA it is going to be $265,000 higher than that to reflect that lease of that property during this time. I wanted to point that out so you would know what the difference was.

Mitchell: This funding is coming from which source?

Gullet: It is coming from the water/sewer CIP fund and it has been programed in our CIP for a number of years.

Howard: This is covered under the current rate structure?

Kimble: It is programmed in the future plan that will have to be addressed over the long haul with what you do rate wise for the water/sewer.

Howard: But in three years you have to come back and say we didn't have enough to finish this plant and we need to go up.

Gullet: What is programmed in our CIP right now is the money to buy this land and to move forward with the planning. The actual construction of this plant is out past the five-year horizon so there isn't any money appropriated today I don't think for this plant. When the time comes to build this plant, which we think will be beyond five years, yes, there will have to be some funding identified for it and it would come out of the water and sewer rate structure.

Cooksey: One of the things to keep in mind from this is that we have two different methodologies for basically CIP funding in place for CMUD. The funding mechanism is a modest increase in rates every year, whereas we recall from last year what Greg Gaskins talked about in terms of funding a General

Fund CIP that relies on property taxes. The goal would be to do a raise that funds a five-year and eight-year plan so you don't have to keep changing your property tax rate. That is not the model the Utilities use. Utilities is a guaranteed where we are in the range of 3% to 6% per year. Every year you see a utility rate increase in order to get the cash flow going right for its CIP.

Howard: Does the framework fit the CIP needs for this enterprise fund the way it currently is? What you just said is this plant is not part of what you anticipated to come out of that steady rate increase.

Gullet: It is, but beyond the five-year window.

Howard: I got that so you haven't allocated, you don't have a CIP beyond the five-year window, so there may be money left.

Gullet: We don't intend to build this plant until the economy, the growth and the development picks up that will support this plant. That is going to be the driver. When we started this process seven or eight years ago, we thought we were going to be there now. We thought that the growth was going to continue, but it hasn't.

Howard: My question is when this five years is done whatever is still being put out, do you separate your rates like we do our CIP, a certain amount is supposed to go to a CIP fund and some amount is supposed to go toward operations?

Gullet: No.

Howard: So that percentage that increases every year could just go to all operations? Have we anticipated, is there going to be any cash flow from the current rate structure to pay for any of this? I think I heard potentially not.

Gullet: I'm still not quite sure I understand the question, but let me see if I can restate it and answer it. What you are asking is will there need to be a rate increase in the future to support this plant being built. Is that what you are really asking? My response to that is probably so, but that is going to be the case because we are going to have to provide wastewater treatment capacity as the community grows and we believe this is the most economical way to provide that capacity. Whichever way we do it is going to require a revenue source to support it.

Mitchell: Let's take now between now and 2015 when you want to build, how many rate increases do you foresee?

Gullet: We are forecasting an annual rate increase each year.

Mitchell: So in the citizen's mind they will say we have paid for this with four rate increases from 2013 to 2018 and the truth of the matter is what you said, there is no capacity to build this and we are going to wait until the economy gets better, if I heard you clearly, and it is up to us Councilmembers to educate the voters because they are going to say we paid for this in 2014, 2015, 2016 and that is the discussion we will have to take once we start building.

Howard: When we look at the rates, do we account for what we can add when we grow? If we add more citizens we spread that need out more.

Gullet: It is a little more complicated than that because it is not only adding more people, but it is how much water they are going to use. What we see is that all the different uses of water in our community get added up and we are going to sell this many gallons of water and we have this much costs so that really sets your rate.

Howard: It never catches up then because every time you add somebody you can't spread it out because now they have needs as well.

Cooksey: Another complication there, in terms of the larger pieces of infrastructure, you've got to plan ahead for them and they come. The demand rises and rises and rises to be fulfilled by the existing infrastructure of treatment plants to create water and treatment plants to treat wastewater until you get to a point where the existing system can't do and then you've got to do a big capital process. That is what this rate structure methodology is meant to smooth out, is to prevent this notion that your water rates are going to have a 10% or 15% increase one year to start creating the cash flow.

Howard: That doesn't mean there should be some cash in an account somewhere that we are saving for the CIP.

Cooksey: He's got the charts for that.

Howard: If we are smoothing that out then I'm putting away some cash so when I get to here there is something there so I don't have to say give me this.

Cooksey: Every year Barry presents some very complex graphs that shows what the cash flow needs are for the Capital program and they are on this big fluctuation that we try to have the rate structure to kind of keep smooth.

Mitchell: Barry, you hear our questions and I hope it is helpful to you because you've got seven more that you've got to meet one on one and really try to explain it. We know the importance of water but the average citizen doesn't. I'm going to ask Tom McKittrick to come and give his feedback. If you are able to benefit what I see this great collaboration for the City, your profit. Everyone to me they have their negative pressure of ReVenture and some of the constituents in the Mount Holly area say they don't want it to come because of the bad quality of air. From your standpoint, do you have any type of marketing you are going to do to talk about a positive?

McKittrick: Tom McKittrick, President of Foresight Development and the developer of ReVenture. Thank you for the opportunity and excellent point. It is unfortunate that ReVenture and what we are doing out there had a few give it a bad name. The controversial project that we were working on was a waste energy project and that is no longer part of the project plan. I think going forward you are going to see a lot of very positive press that is going to be hard to speak negatively about and Barry and his team have done a masterful job of creating a transaction that is truly e-risk, all aspects if you

will and is a fair and equitable transaction for all parties including the Gaston county side so we are hopeful that it goes through and appreciate all their good work.

Mitchell: I have been a fan of your project, but you are right, it has been like a cloud over it.

McKittrick: We are clearing the cloud.

Gullet: My charge as I understand it is to be sure to cover the other Councilmembers.

Mitchell: Don't you agree that some of this is complicated?

Gullet: We will reach out.

Adjourned: 2:00 p.m.

Economic Development Council Committee
Tuesday, January 22, 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 POLICY REVISIONS– 45 minutes</u>
Staff: Nancy Rosado, Neighborhood & Business Services
Action: The Committee will continue its review of recommended changes to the SBO Policy with a discussion of the expected resources necessary for implementing the new program and proposed marketing/communications strategy.

II. <u>CAPITAL INVESTMENT PLAN– 45 minutes</u>
Staff: Ron Kimble, City Manager's Office & Jerry Orr, Aviation Director
Action: Staff will provide the Committee with an overview of the proposed Airport/West Corridor Improvements, beginning with a discussion of the City's strategy for capitalizing on logistics-related development and employment growth around the Norfolk-Southern Rail Intermodal Facility.

III. <u>REVENTURE UPDATE – 20 minutes</u>
Staff: Barry Gullet, Charlotte-Mecklenburg Utility Department (CMUD)
Action: CMUD will present the second part of an update on the status of agreements that will form the foundation for regional wastewater treatment for the Long Creek basin in Mecklenburg County, Mount Holly, and Belmont as well as the purchase of land from ReVenture. Mount Holly's City Council has been briefed and is expected to take action on the agreements on January 14. CMUD requests the Committee recommend approval of three items to the full Council for action on January 28th:

- Memorandum of Agreement with Mount Holly
- Agreement for Mount Holly to purchase nutrient allocations from Charlotte in the event the regional wastewater treatment plant isn't built
- Purchase from ReVenture of land and nutrient allocation needed for the future construction of a regional wastewater treatment plant

IV. <u>NEXT MEETING DATE: Monday, February 4, 2013 at Noon, Room CH-14</u>
Tentative Schedule:

- SBO Program Revisions Policy Summary & Draft
- Capital Investment Plan
  - Airport/West Corridor Improvements (cont.)
  - Bojangles Coliseum/Ovens Auditorium Redevelopment Area
  - Southeast Corridor - Public/Private Redevelopment Fund

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

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NEIGHBORHOOD & BUSINESS SERVICES

SBO Program Revisions Resource Management and Communication/Marketing Plan

Economic Development Committee

January 22, 2013

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Resource Management

- Currently, the City has six full-time positions allocated for the SBO Program.
- The SBO Program is organized into three areas of work:
  - Certification
  - Compliance
  - Support Services (outreach, reporting)
- A preliminary analysis of service requirements for a new MWSBE program has identified a need for additional resources in all three areas of work in order to meet desired outcomes.

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Current Resource Functions

Program Manager oversees the following activities:

Certification
- Reviews and analyzes certification and re-certification documents to determine eligibility.
- Provides technical assistance to customers.
- Conducts site visits.

Compliance
- Works with departments to identify opportunities for SBEs
- Establishes sub-contracting goals and monitors compliance

Support Services
- Develops and monitors utilization reports to internal and external stakeholders
- Coordinates outreach, training and development.

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Additional Functions Identified

Certification
- MWBE Registration of State-certified MWBEs in the 13-county Charlotte CSA

Compliance
- Service Contract Monitoring
  - Improve opportunities for MWSBEs on service contracts
- On Site Construction Monitoring
  - Audit MWSBE utilization on construction projects

Support Services
- Increase outreach to certify/register more MWSBEs
- Enhance mentoring, training and development partnerships.

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Communications/Marketing Strategy

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Communications and Marketing Strategy

Components – Four Phases

- Packaging (Jan – Feb)
  - Name
  - Graphic element
  - Brand promise
- Communications/Marketing Plan (Feb - March)
  - Internal
  - External
- Education and Outreach (April – June)
  - Internal
  - External
- Measurement (July – June)
  - Internal
  - External

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Packaging – Phase One

Name Development Process

- Input from stakeholders
  - Disparity Study Advisory Committee
  - Business Advisory Committee
- Policy revision/implications
- Lessons/practices from hybrid markets

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Packaging – Phase One

Name Development Considerations

- Primary Council goals to convey
  - Working to diversify our spending
  - Focused on equity and inclusion
  - Desire to build goodwill
- Attributes/program qualities to convey
  - Inclusive
  - Opportunity
  - Success
  - Support
  - Relationship-building
  - Growth
  - Expansion
  - Networking
  - Trust
- Graphic element and brand promise will evolve from name

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Packaging – Phase One

Timeline

- Concepts developed and presented
  - Feb 4 Committee Meeting
- Incorporate committee feedback to issue stakeholder survey
  - Feb 6, with input requested by Feb 11
- Proposed name, graphic element and brand promise to be presented
  - Feb 21 Committee Meeting
  - Included in March 4th Council Workshop

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Communications/Marketing Plan – Phase Two

Components

- Internal education to prepare for launch
  - Key message development of program revisions and benefits
  - FAQ development
  - New process / procedure manual
  - Intranet
  - Internal meetings/trainings with liaisons
- Collaborate with communication colleagues regarding internal needs and external opportunities
- Timeline
  - March – April
  - Detailed deliverables TBD

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Education and Outreach – Phase Three

- Database marketing
  - Existing databases
  - GOV delivery
- Opportunity Map
  - Targeted direct mail
- Outreach
  - Leverage existing efforts (charlottebusinessresources.com)
  - Partner relationships
  - Media Strategy
- Timeline
  - Post Council approval - launch
  - Detailed deliverables TBD
  - Ongoing activities throughout first year

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Measurement– Phase Four

- Determine method of measurement
  - Number of increased certifications/registrations
    - Review and analyze city's database
    - Request additional data from State's HUB office to determine opportunities to connect
- Timeline
  - July 2013 – June 2014

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Next Steps

Date	Activity
February 3	Present additional information for identified additional resource functions
February 21	Committee review of final policy recommendations, including proposed name
March 4	City Council Workshop Presentation
March 7	Committee recommendation to City Council Begin internal communications
March 25	Target for City Council Adoption
April – June	Community Outreach Campaign
July 1	Program Launch

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Airport/West Corridor Roadway Improvements

Charlotte Douglas International Airport (CLT) is the Charlotte Region's largest job generator. There are approximately 20,000 employees on the airport proper and 100,000 jobs generated throughout the Region. With an annual economic impact of $10 billion, CLT is the economic catalyst of the Charlotte Region.

Since 1982, 7,852 new companies have invested more than $5 billion in Mecklenburg County and created 78,042 new jobs. The number of foreign-owned companies with operations in Mecklenburg County has increased from 147 in 1982 to 625 today. In many instances, these companies cite CLT as the major reason why they chose to locate within the Charlotte Region.

Global economics are driven and defined by international airports, which are at the center of the global transportation network. CLT is a state of the art transportation center that has access to all four modes of transportation – air, rail, sea and truck, together in one location, creating one of the nation's few integrated logistics centers. CLT represents a $1 billion plus logistics infrastructure investment and there is significant potential to further maximize this asset that would benefit the entire community.

<u>Acquire sufficient land</u>

- Create an ample land envelope by acquiring sufficient acreage to insure long term implementation and accommodate appropriate development for businesses attracted by an integrated logistics center.

<u>Appropriately zone land</u>

- Recognize that CLT is a $1 billion investment that is infrastructure rich and zone adjacent real estate accordingly to accommodate future private sector investment. Planning must occur in a synergistic manner maximizing the efficiency of each element and its effect on other systems.

<u>Create infrastructure network</u>

- Invest in road improvements to support further development for industries such as trucking, warehouse/distribution, manufacturing, research, communications and technology.
- Coordinate ample communications and power infrastructure to accommodate the needs of suitable future occupants.

<u>Market to attract companies</u>

- Identify and recruit compatible businesses. Anticipate future growth markets such as technology and data centers. The proliferation of digital infrastructure and the dependence on technology has created massive growth of data centers. North Carolina's first wholesale data center, DC74 operates on the boundary of CLT.

<u>Result</u>

- This type of restructuring of the urban grid will create an economic edge city that may be recognized as an integrated logistics center, inland port, airport city and/or aerotropolis that produces employment opportunities and enhances the tax base.

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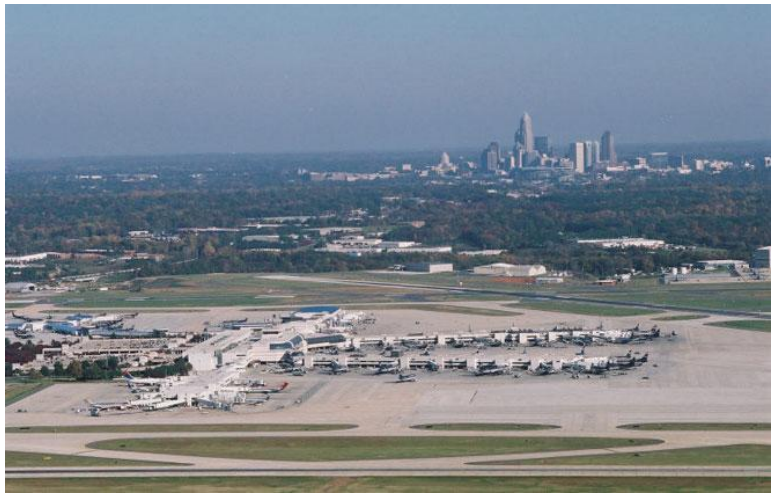
Connecting the Carolinas to the World

CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT

The Economic Development Platform

- Generates nearly $10 billion in annual economic impact
- 100,000 jobs are directly or indirectly supported by the Airport



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Evolution of Travel & City Growth

18th Century
Port Cities

19th Century
Rail Access

20th Century
Highway Access

21st Century
International Air Travel

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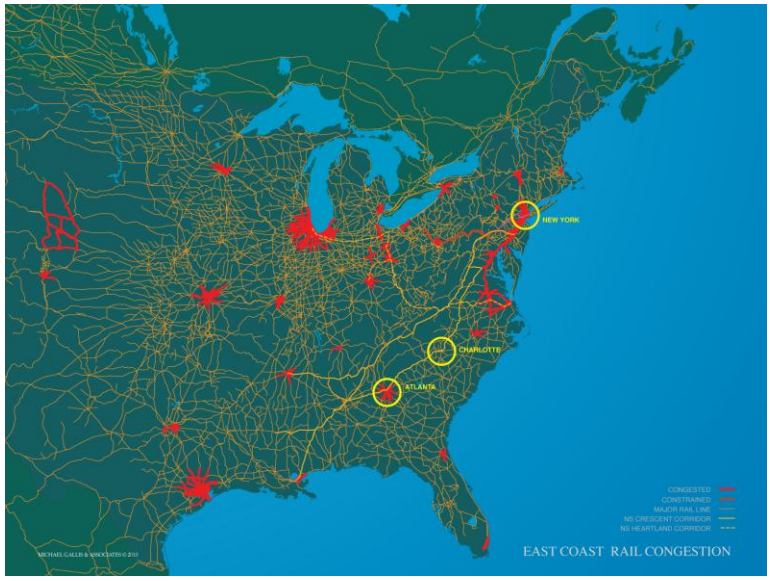

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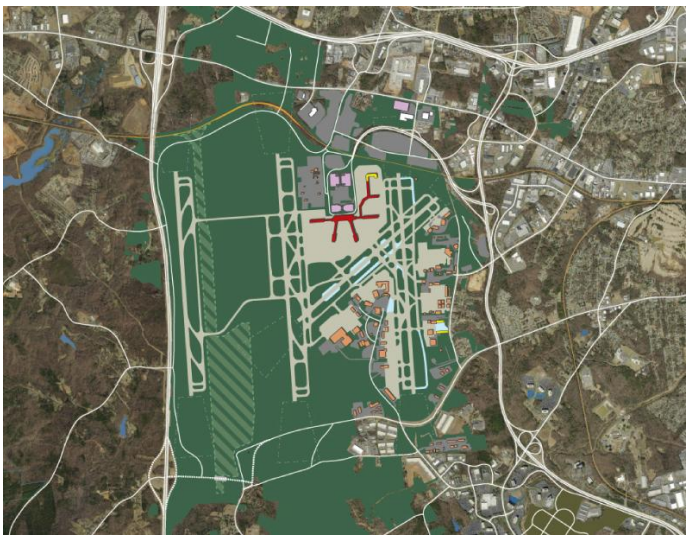

LONG-TERM FUTURE - PHASE 1 2011

- CDIA Property
- Airfield Pavement
- New Airfield
- New Building
- Terminal
- Industrial Building
- New Road
- Grading
- Rail
- New Rail
- Intermodal
- New Intermodal
- Parking Deck
- Parking Lot
- New Parking Lot
- Building Demolition
- Paving Demolition

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LONG-TERM FUTURE - BUILD OUT

- CDIA Property
- Airfield Pavement
- New Airfield
- New Building
- Terminal
- Industrial Building
- New Road
- Grading
- Rail
- New Rail
- Intermodal
- New Intermodal
- Parking Deck
- Parking Lot
- New Parking Lot
- Building Demolition
- Paving Demolition

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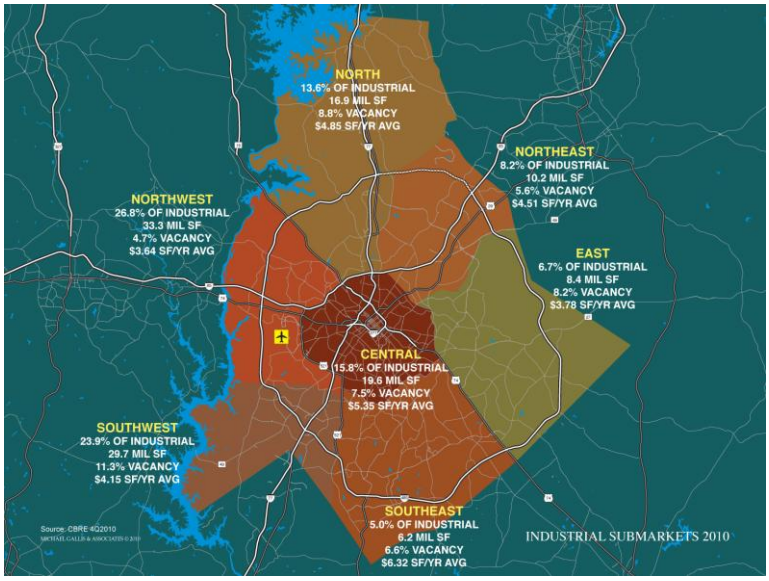

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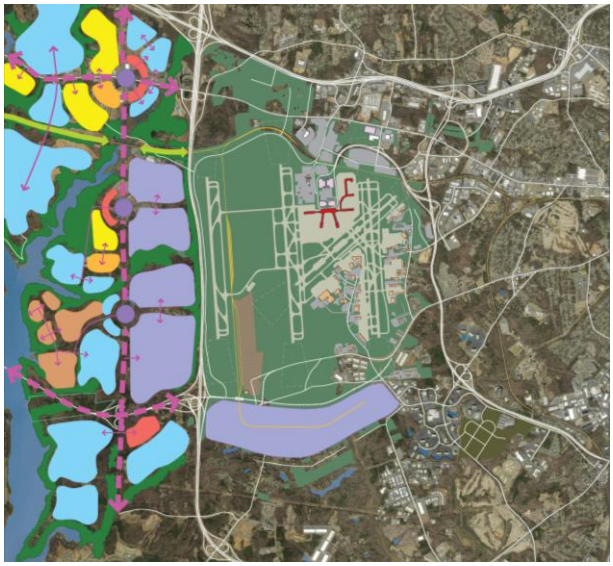
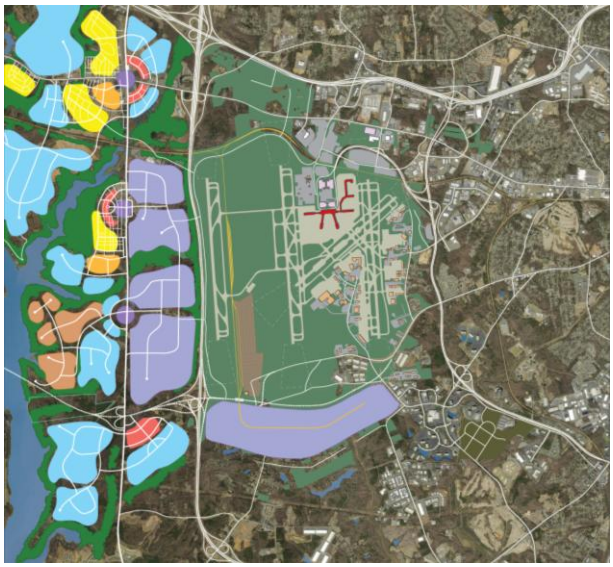


WESTERN ZONE SCHEMATIC LAND USE PLAN 1997

- CDIA Property
- Office
- Retail
- Single Family
- Multi-Family
- Commercial
- Research
- Development Center

CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT



WESTERN ZONE SCHEMATIC PLAN - 1997

- CDIA Property
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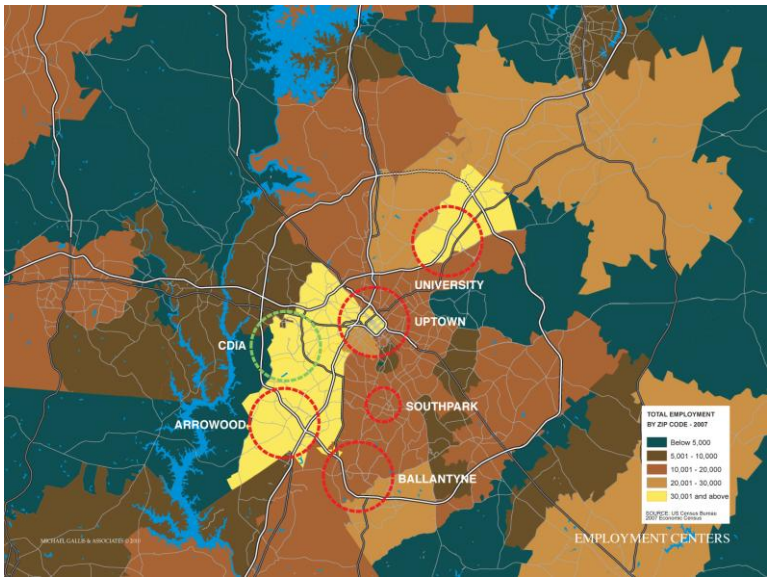

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Connecting the Carolinas to the World

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CHARLOTTE-MECKLENBURG UTILITIES

Long Creek Regional Wastewater Treatment Plant

Economic Development Committee Meeting
January 22, 2013

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Agenda

- Project Review
- Requested Action
- Land and Nutrient Allocation Purchase
- Mount Holly Memorandum of Agreement
- Nutrient Allocation Purchase Agreement
- Next Steps

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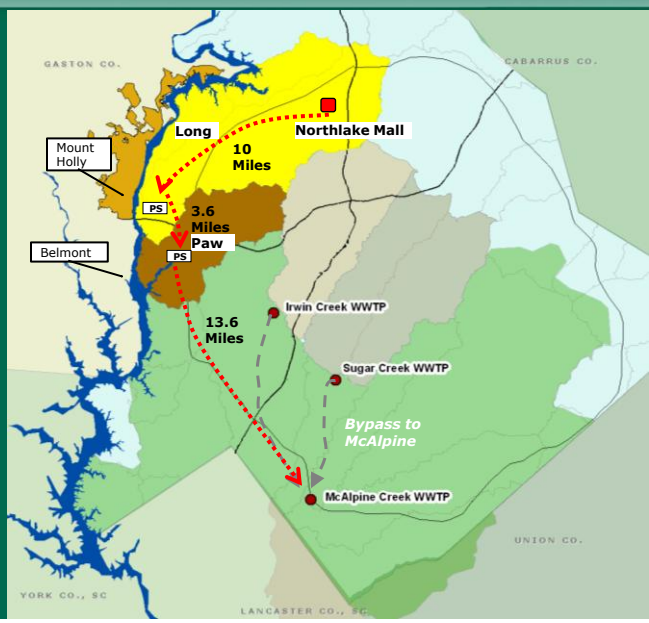
Project Overview



History
- Project discussed for last 30 years

Current Situation:
- Piping flow 27 miles
- 2 Pumping stations
- Mount Holly plant
- Belmont plant
- Clariant plant
- Flows are increasing
- Water quality concern

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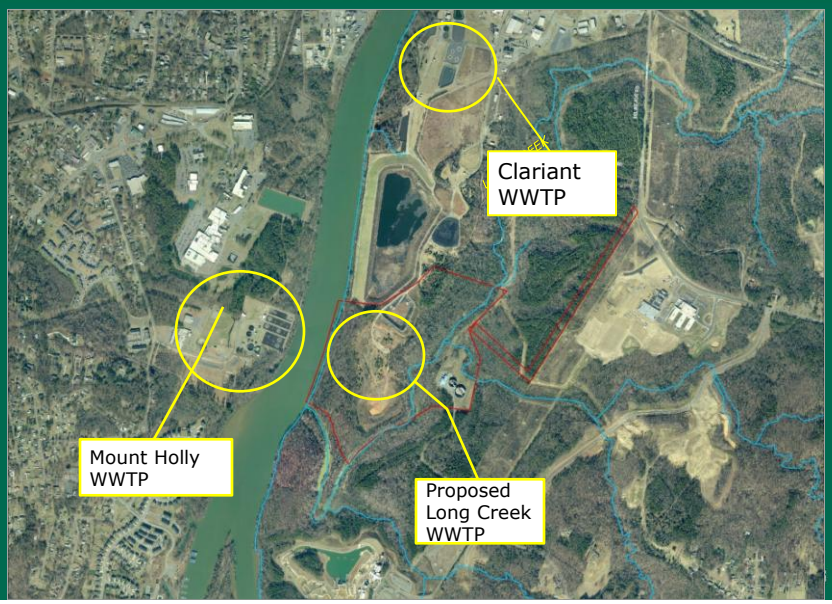
Location Map



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Why Project is Needed

- Protect the Environment
  - Total nitrogen and phosphorus limit for Lake Wylie
- Economic Development
  - Provide future wastewater treatment capacity
  - Least impact on customer rates
- Limited Opportunity
  - State mandated investments at Mount Holly and Belmont could derail opportunity

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Current Situation – Lake Wylie Dischargers

Mount Holly

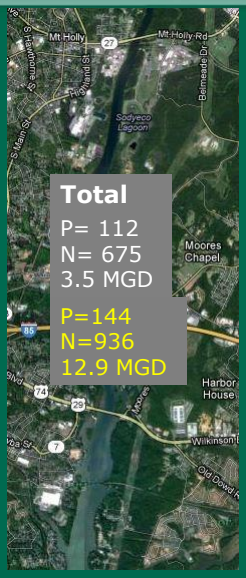
P= 70
N= 392
2.2 MGD

P= 50
N=300
4 MGD

Belmont

P= 42
N= 282
1.3 MGD

P= 58
N= 350
5 MGD



Total

P= 112
N= 675
3.5 MGD

P=144
N=936
12.9 MGD

Clariant

P= 36
N= 286
3.9 MGD

Current Pounds

Maximum Pounds

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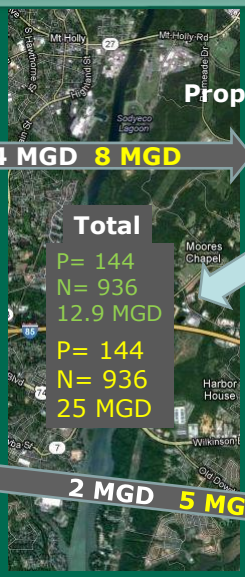
Future Scenario



Proposed Long Creek WWTP
Mount Holly + Mecklenburg

Mount Holly — **4 MGD** **8 MGD**

Initial Flow Capacity

Future Flow Capacity

Total
P= 144
N= 936
12.9 MGD

P= 144
N= 936
25 MGD

P= 144
N= 936
25 mgd

Belmont — **2 MGD** **5 MGD**

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Requested Action

- Recommend Council approval on Jan 28
  - Purchase land and nutrient allocation from ReVenture/Clariant
  - Memorandum of Agreement with Mount Holly
  - Nutrient allocation purchase agreement with Mount Holly

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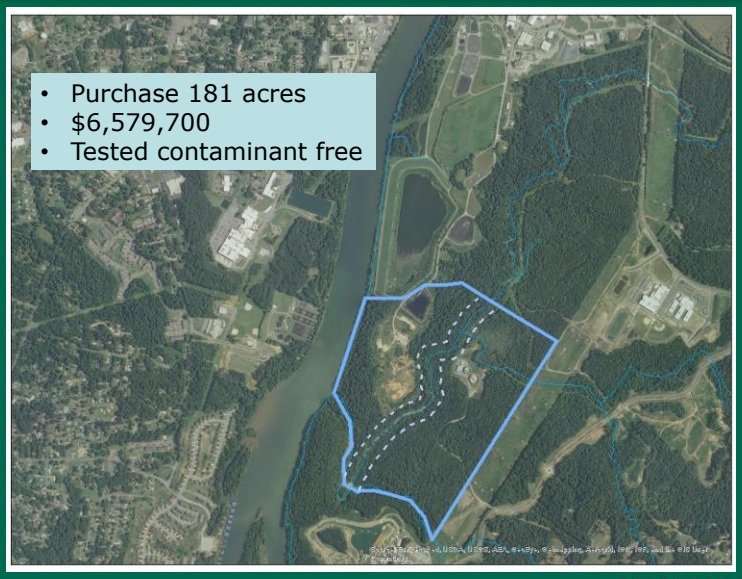
Land to be Purchased



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Purchase Nutrient Allocation

- Purchasing from Clariant / ReVenture
- 90% of their phosphorus & nitrogen allocation
- $5,850,000

- Allows future purchase of remaining 10%
- $650,000

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Memorandum of Agreement with City of Mount Holly

- Approved by Mount Holly Council on Jan 14, 2013
- Non-binding framework for continued planning
- Framework includes
  - Mount Holly pays for:
    - Pump station and pipe across the river
    - Treatment O&M costs
  - CMUD pays for:
    - 4 MGD treatment capacity in future plant
    - 1 MGD of planning capacity in existing plants
- Benefits of proposed framework to Charlotte:
  - Obtains Mount Holly nutrient allocation
  - Increased wastewater treatment capacity
  - Avoid cost of pipeline upgrades

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Nutrient Allocation Purchase Agreement with Mount Holly

- Mount Holly expected to approve in February
- Mitigates risk to Charlotte if plans fail
  - Mount Holly would buy the nutrient allocation CMUD bought from ReVenture / Clariant
  - Price would be same amount CMUD paid
- Only needed if proposed wastewater plant can't be built

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Next Steps

- Council action requested January 28
- Mount Holly Council consider Nutrient Allocation Purchase agreement in February
- Obtain state approval of treatment permit changes
- Closing of land and nutrient purchase
- State review Environmental Impact Statement
- Full Interlocal agreements
- Obtain permits for future plant
- Design & build river crossings
- Build new plant when need develops

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Questions?

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