COMMITTEE AGENDA TOPICS

I. Subject: Business Corridor Strategy Plan Update
Action: Review draft of the Business Corridor Strategy Plan update and provide feedback to staff. Staff will incorporate Committee feedback, and bring the final plan update for Committee review on March 1st. No action is requested.

II. Subject: Oakhurst Infrastructure Agreement
Action: Review Oakhurst Infrastructure Agreement and make a recommendation to City Council for approval at their February 27th Council Meeting

III. Subject: Proposal for New SBE Loan Program
Action: Review program description of new loam program for Certified SBEs using federal CDBG funds, and consider a recommendation to City Council for program approval at their March 12th Council Meeting.

IV. Subject: SBO Good Faith Efforts
Action: Receive an overview of the current Good Faith Efforts (GFE's) used in the City's Small Business Opportunity (SBO) Program. No action requested.

V. Subject: CRVA February Barometer Report–(Information only – Attachment)

COMMITTEE INFORMATION

Present: James Mitchell, Patrick Cannon, Warren Cooksey, David Howard and LaWana Mayfield
Time: 3:30p.m. – 5:00p.m.

ATTACHMENTS

1. Business Corridor Plan Update
2. Business Corridor Strategy Update Presentation
3. Oakhurst Infrastructure Agreement Presentation
4. Proposal for the SBE Mobilization Loan Pilot Program Presentation
5. Good Faith Efforts Summary Report & SBOP Forms (1, 2 & 5)
6. CRVA February Barometer Report

DISCUSSION HIGHLIGHTS

I. Subject: Business Corridor Strategy Plan Update

Chairman James Mitchell:
Good afternoon. We have a very busy agenda, but has staff told me that they know this Committee can get things done. We have six items before us and I am going to turn this over to Mr. Ron Kimble.

Kimble: Thank you Mr. Chairman, I think your quote was exactly what we said. We have an ambitious agenda, but we have an ambitious and scholarly Council who can get it done. We have four major topics today: Business Corridor Strategy Plan Update; Oakhurst Infrastructure Agreement; Proposal for New SBE Loan Program; and, Good Faith Efforts. Brad will give an introduction on all four of these and then turn it over to the individual presenters. If you are so inclined and ready today to take action, you could take action on the first three items on your agenda, but that will be up to you. Clearly, we would like something on two and three if you are ready because those can get to your February 27th Council meeting, if possible. The SBE Good Faith Efforts have had a lot of discussion in Council recently. Today, this is an informational item. We wanted to give you the educational piece on how Good Faith Efforts work, what's the current requirement today and then to launch future meetings on what you would like to do to improve Good Faith Efforts. This is more educational to get everybody on the same page and cover the way we do business currently on Good Faith Efforts. We still will need to receive each time the CRVA Barometer Report as they meet each month. Then you can see some of the meeting dates and topics. Your agenda is loaded and your backlog of items is pretty severe, so these are some of the items that are waiting in the queue. We don't want to move you too fast but we also want you to feel comfortable with the items, so when you are ready to take action, it would be good to move some of these items off your plate.

Mitchell: Committee, the only thing that I would say is to please ask questions so we make sure staff has a good feel of the discussion that they need to have with us.

Richardson: Thank you, Mr. Chairman. I will draw your attention to the attachment that is in your package today, we are heavy on attachments today. We are not going to spend a lot of time looking at the screen but I did want you to have a guide to get us through this busy agenda. What you are holding in your hand is what we consider a draft of the Business Corridor Strategy Update. We think it is pretty close to complete, but we want to check in with you. What I would like to do today is start with the end and tell you what our six recommendations are, then I am going to have Mr. Hemans walk you through the structure of the document and I will come back and we will really work through those recommendations. These are policy recommendations that will inform how we will work these next three years in our business corridors. So let me just preview for you where we are going and then we will step and walk through the document. These aren't new to you, most of them we have talked about on several occasions. The first one and where we are headed is we want to expand and enable the utilization of our capital funds for business corridors in a broader area than the original size business corridors. We want to update our matching grant program; this is Façade and Security and those have been through Committee in detail. We want to talk about better utilizing our relationship with the Charlotte Mecklenburg Development Corporation. We want to work hard to develop stronger merchant or business associations in our corridors. We want on occasion, when needed, conduct retail market studies in our corridors to provide information to developers and to retailers who are looking for places to put new grocery stores and neighborhood

level retail. Finally, we want to be able on occasion, when necessary, conduct parking demand analysis for areas like Southend and North Davidson. A great example of where you have got a good mix of housing and retail merchants but they are strangled today by perceived or real lack of parking space. I don't want you to be flipping to the recommendations while Chris talks so I wanted to give you these up front so we know where we are going. With that, I am going to turn it over to Chris. The goal is to walk you through how we structured this document and I will come back and talk to you about recommendations.

Hemans: What I wanted to do first is to go through the introduction and give you a little bit of background about the Program for those of you that may be unfamiliar with it. In March of 2007, City Council adopted the Business Corridor Revitalization Strategy that established a couple of things. One thing was a policy statement. I am going to read that statement to you so that you understand what the goals are and what the main goal and objective is. "*The City will take a leadership role in developing and implementing public and private collaborative strategies and investment that aim to: 1) Attract private sector investment to grow jobs, business and services; 2) Expand the tax base in the business corridors; and, 3) Support the revitalization of the corridors into mixed-use areas promoting the adjacent neighborhoods as safe, viable and sustainable".* The goals that you see here are the goals that we still focus on which are eliminate blight, create strong local economies, align City policies and programs and promote environmentally sustainable development. I will speak to these four things and how we will achieve these goals over the last four years later on. If you will turn to the next page, we will briefly discuss geography to give a sense of what the business corridor revitalization geography is. If you look at the map basically from District 3 all the way over to District 5, that is the area that encompasses the business corridor geography. But then you have these blue shaded areas, those are business priority corridors that we called on, that will be the Wilkinson/Morehead/Freedom Drive area and the Rozzelles Ferry/Beatties Ford corridor, North Tryon and the Eastland Mall area. Within these areas and specifically the priority corridors, we have $15,000,000 that we can use for investment and to assist projects within those areas. Turn to next page you will see the tool box that we have showing various programs that we can utilize within this area.

Mitchell: Chris, the $15,000,000 that we have now, each year we appropriate that?

Hemans: We appropriate $2,000,000.

Mitchell: $2,000,000, thank you.

Richardson: As you go on that point, in the very back of your document, we have an Appendix IV the funding that we use for our programs. There are three; this is the corridor funding that he just spoke about. Matching Grants Loan Fund, we do about $2,000,000 and some federal dollars (CDBG) that we call the ED Revolving Loan Fund of about $2,600,000.

Mayfield: Is West Boulevard included in this?

Richardson: When we get to the recommendations, that was our first one and we will talk about adding areas and certainly West Boulevard is added.

Mayfield: O.K.

Cannon: Is staff comfortable with where we are regarding the numbers that are appropriated right now, that $15,000,000 and the $2,000,000? Are those numbers in staff's mind still good numbers today that we feel comfortable with in terms of increase or decrease.

Kimble: Today we are because you have accumulated a balance as you bring that balance down and find ways to invest it then I think you will need to reevaluate. But it is sufficient for now.

Cannon: Good.

Hemans: One thing I will mention with the tool box is that one is the Façade Grant Program and the other is the Security Grant Program. If you turn to the next page, you will see a table there and that will speak to how these programs are used. The Security Grant Program over a four year period from 2007 to 2011; we had 25 grants there and for the Façade Grant Program we had 22. Overall, it has done about 86 projects utilizing the program that you see on the left that has totaled around $13,400,000 that we have invested into this geography. If you look below, there are other programs and investments that we have made that haven't come directly from the Business Corridor funds but that we have invested with CIT programs into facilities; that total is around $70,000,000.

Mitchell: Just one reference because the numbers sound great; 86 programs total. How much we have spent?

Hemans: We have totaled 86 projects; that includes all the programs that you see on the left and the program investment is around $13,400,000 and that is in addition to the investments that we made. Turn over to the next page in the next section of the document; we have what we call corridor summaries where we take a closer look at each corridor. Not only as a reference for you but to help you understand what has transpired over the last four years and to really look at the opportunities and issues going forward. As you see here on the left, you have a map of the corridor. You have a chart that lists the projects that we have completed within these areas. Down below you have a program highlight so this area and the Rozzelles Ferry Corridor, we completed the energy retrofit on the, what is now the Dental Clinic. It is open and it is operational. That project has moved forward; they really appreciated the support that we gave them through this Program. Below you have the Opportunities & Issues for 2012- 2015. If you turn to the next page, what we have on Beatties Ford a very similar layout. We have the map and a table that outlines all the projects that we have done in that area. We also discuss one specific project that we want to highlight in that corridor. I am not going to spend a lot of time here; you can see the rest of the profiles that we have here.

Mitchell: I think that this is just outstanding to see and share with our citizens. In the leverage column, I think it's so important that it's just not us putting in capital but we are leveraging our dollars. Good work staff and Chris.

Howard: Chris, I would love to know what the ratio of the leverage is.

Hemans: We can look at each corridor and figure something out.

Howard: On the website, how do you get the word out to the community?

Hemans: The website, CharlotteBusinessResources.com. Brad and I have also gone out; we have an event scheduled for later this month where we will be talking to several groups from the Charlotte Chamber as well as through various mediums.

Richardson: One reason why we should update this other than the recession and the economic climate that we have encountered but under the leadership of Pat and others, we have now got a different service delivery model. With Neighborhood & Business Services field teams in four different quadrants in line with the Police Department. That is our strategy going forward. How could we do it better? That is how we are going to do it better.

Mitchell: I think using the radio would be helpful as well.

Hemans: We have a key activity page here as I mentioned that will tie it back to the original goal or objective of the Plan. Again, I am not going to go into any detail or read them to you; I will allow you to do that on your own. You can see how we have achieved the goals that we set forth when we originally adopted this Plan.

Richardson: This is where I will stop and see if there are any questions. We ran through that pretty quickly and that is o.k. because the next part of our conversation is really when we say that these are some recommendations. This is what you will be referring to the full Council if you are ready. The rest of it is information; we wrote it by the way so that the community could read it a little bit better than our strategy four years ago. We tried to make it simpler to understand. If you are ready, we will talk about the "Lessons Learned & Recommendations".

Howard: So the numbers that you have is not necessarily money out of the E.D. Fund?

Richardson: That's right. We have lumped in those City projects such as the Eastland Fire Station as well as corridor investments. When we run the leverage ratio, we will probably not include those.

Howard: Having a total at the bottom would be good too so that when you go back to the corridor you can say well no we did do this and we invested $30,000,000 or $10,000,000 whatever that number is.

Cannon: Going back to looking at the programs that we were talking about, are we doing enough so that the community is aware of the programs that the City does have so that these numbers might increase?

Richardson: I don't know how to answer that, I think we are doing fine. I think improvements as I mentioned the service area delivery model that is now changed as well as the small business web portal. Those are recent improvements that should make our numbers or increase our marketing of the program.

Cannon: I just want to highlight that because a lot of the programs, whether in the City, State or County, the people really don't know what is available to them. We understand that the City is not a promotion type agency, but at the same time, what it does it makes our goodies in a hay stack where people can't seem to find it.

Richardson: Mayor Pro Tem this relates to strong local merchant and business associations; we do really well in areas where merchants are organized and market with and for themselves.

Cannon: Heavy applause for that. The last question is with this table showing the number of projects. If I want to be able to brag about this and talk about it more so over period, are these numbers representing? You have the Façade Program here with 22 and you have for Security Grants with 25. Over what years three, five?

Richardson: In the header the period is from 2007 – 2011, but we will make that more visible and we will number these pages.

Cannon: So we are taking about a four year period?

Richardson: Yes.

Kimble: Four or five is a calendar year so that would be five years.

Cannon: So that takes me back to the point of trying to get more information out there to make sure people know. We have done great things but I think that we can still push the envelope.

Howard: There was a study that shows that a lot of these businesses in these corridors don't take advantage of a lot of resources that are available to them. I know it's not our job to do it, but it would be nice if there was clearing house with a whole list options for what their needs are. What I understand is a lot of our intercity corridors in Charlotte for some reason have a low application numbers. They don't apply for a lot of these funds that are available for different things. How do we make sure that they know how to go about it? What we are trying to do is strengthen these corridors and not just with Facade grants.

Richardson: When we hear clearing house, we think of our small business web portal. We gave you an update at the six month mark back in November. We are averaging about 3,000 visits

per month and about 1,000 followers that get our e-mailed letter that talks about opportunities. We think it is fine and will come back to you in a few months with a year-end number on the web portal. That is one answer to your question that is the electronic way on the web. There is no substitute for knocking on doors and meeting people in the business association meetings and your connections as well.

Mitchell: Brad, I think you hit a theme from Mayor Pro Tem and Council Member Howard; marketing and doing more outreach. Is Small Business Week about to approach us? How can we incorporate these two good ideas about making sure that people are more aware of our programs?

Richardson: The recommendations, if I may real quick, I will run through them and then spend some time on them. We have structured these as lessons learned and how we may address them as recommendations. We think the eligibility for the capital fund should be narrowly defined. As the point was made earlier, we have five priority corridors. We worded it carefully to expand utilization of the Business Corridor Capital funds in areas of opportunity outside of the priority corridors. The map at the bottom of the page illustrates what that might look like, a quarter mile off of the corridor and it says why maintain a focus on the five begin to make allowable these five business corridors: West Boulevard, Independence Boulevard, Monroe Road, Statesville and Graham. In those segments, there are commercial corridors that fall within the revitalization area. So that is our first recommendation to allow us to use the money as a policy rule without making an exception to policy in those areas.

Mayfield: I am thrilled that staff was able to add the language to look at growth and open up the door for any opportunities that we have for West Boulevard and Wilkinson.

Cooksey: Looking at the highlighted increases, if we are talking about the BTRA in the area defined in blue, where does South Tryon fit in? I feel it should be included in the definition of all commercial corridors but it's not highlighted on the map.

Richardson: That is probably an omission on our part and a really good catch. What we are intending to do here is to be able to utilize the Business Corridor Capital funds anywhere within the blue area. We wanted to illustrate for you where our focus of attention would be and we will add South Tryon Street to that point as a commercial area. The second recommendation, if you are ready, is that matching grant programs are useful, but we haven't updated these in about three years so we want to update them. The bullets below that talk about Façade, Security and the Big Box Demolition Grant Program. The idea is raising some of the threshold to matching. Remember the Four Seasons Shopping Center example a few weeks ago was an exception to the policy; this would bring it into conformance. I will point out that the fourth bullet down, we have added a connection here to our Small Business Opportunity Program; most of our SBE's are contractors. Installing security and façade activity that we think that there is a connection to be made here so we proposed that as well. How that would look like is a 60% match instead of a 50% match if you use an SBE. That is recommendation number two. Are there any questions?

Mayfield: When looking at bullet point number three, adding architectural assistance, currently the business would pay for the façade or the upgrade and then be reimbursed?

Are we having conversations to strengthen our previous policy? That is a barrier to some businesses to not be able to cover their upfront costs. Even if it means securing the funds so that when they go to the bank they already have a promissory note that says this project is going to be covered to help fill that gap.

Richardson: Here is our approach to matching grants, we really like to reimburse because it gives us some control over does the project accomplish what the policy asked for. So we really do like to reimburse instead of paying the architect directly. We like the owner to do it and then we reimburse, but what we are proposing in the architectural fee is to increase the maximum of $3,000 at a 50% match then introduce the idea to use an SBE architect; we would cover that cost entirely. That's an idea where when we need an SBE architect we may very well want to pay that SBE directly because it helps our utilization numbers and we have some control over who does the project. That is not exactly what you asked for but understand that we really want to work on a reimbursement basis for these matching grants so that we are not out money and have trouble getting it back. The third recommendation is a big idea we know that compared to other communities, we chose these words carefully underutilized redevelopment partner. By that, I mean Charlotte Mecklenburg Development Corporation (CMDC) and the underdeveloped network of business and merchants associations. We have two recommendations coming from that. The first is restructure the City's relationship with CMDC by evaluating a financial partner agreement. You will see this in your budget discussions. They have made some applications and we want to evaluate that with you. We think there is merit to consider in that it will tighten up our relationship. By the way, CMDC is about 12 or 13 years old; it's a partnership between the Chamber, the City and the County for its board appointments. They are very helpful. We would like to work with them a little more directly and have a little more contact; we think an operational funding agreement is a way to do that. That is one recommendation to consider and see in a different way.

Howard: How is that different from what you do now?

Richardson: They work on a cash flow basis, and for the last three years, they worked really slim margins. They have land to be sold that has not moved so they come to the City for capital requests.

Howard: So you are talking about the relationship with the City is more of a partnership?

Mitchell: It would be nice if you could list all the involvement the CMDC has with the City of Charlotte; just give us a historic perspective on how well they have done. I think about what they are doing. What is the first one that we pioneered?

Richardson: City West Commons, Wilkinson Business Park then Greenway Business Park.

Mitchell: So just give us a historic perspective; I think that would be helpful.

Richardson: O.K. The second recommendation under this category is about merchants associations. We have some good ones; Freemore West and Wilkinson Partners are good examples that participate in our Matching Grant Program. However, we think we should have an effective business merchant association; this is voluntary in each corridor that helps us do our job better. It helps to your point of marketing the programs so we would like to explore the idea if using these funds in a grant basis. We picked this up from some other cities that do this. This is a best practice to encourage innovation and image building. Mr. Mitchell, this is one that you pointed to really early in helping communities build their image. I took that as branding and awareness we want to make that an eligible activity under this new idea of competitive grant. Will work on the details of that, but that is what we envisioned here. The goal is merchants associations that are stronger than they are today.

Howard: So in other cities, that is something that the city participates in?

Richardson: Absolutely.

Howard: I would love to know how that works, maybe not now, but just gather examples of is it operating money is it money for food, what is it?

Richardson: It's a competitive grant process in some communities where they have highly functioning organizations or many who want to develop into that and it's a competitive grant. Understand that resources are limited; I would envision that it is allocating some funds to this program and then beginning to work with neighborhoods or business associations to either build capacity or develop a strategic plan. Get more sophisticated in how they operate until there is a non-profit or if they are there already catalytic projects buy local in a certain area. How would you build merchant identity in the local planning of a community? That is the kind of ideas and we can provide you. Our model for this is a gargantuan example but New York City Avenue Program. We have been talking to them about what's been done in New York City. This is not an apples to apples that is for sure; we would like a mini version of that. In the fourth recommendation and the final lesson learned with two more recommendations speaks to the idea of tools. We would like the ability in areas where we have identified as food deserts. How do we work with retailers to understand the hidden buying power locked in these neighborhoods that may not come up in their research? How can we market to retailers on occasion when we go out into communities to do research or hire someone? I should be clear that we don't have the expertise on that. So contract with someone to come in and do a market assessment of an area for the express purpose of bringing needed retail to the community. We want to be able to make sure we don't over park a neighborhood or under park it; we want make sure that it works just fine so that the merchant can get customers in and out of the doors and still maintain an air of vibrancy; that is the second recommendation. A good example is what is happening at North Davidson in the NODA area. If you go over there on Thursday through Saturday night, you can't park anywhere; that is a hamper to the community. We are, by the way, moving ahead with a study like this because there is an opportunity for redevelopment at 36th and North Davidson. They will be losing 150 parking spaces through a residential development. We think that it's important that we get ahead of that and if there is a partnering opportunity with developer to replace some of that parking, we want to bring that to you. We can't do that without the information so we think we need to move in that direction. This policy will give us the idea that you are looking for with those opportunities in advance. Does that make sense?

Mayfield: Do we have an opportunity to partner with UNCC as opposed to creating another a paid position since they have recently started doing a lot of this work, especially with identifying the full studies? We have a great relationship with UNCC, but there is an opportunity to partner there as opposed to creating a paid consultant.

Richardson: We are envisioning increasing the City's budget or staffing. It is going to be contracting for services using existing resources to provide information to you to make it a capital expenditure decision, so no new staffing. That is a great example of who we might work within these areas like the Urban Institute for example, but we are not asking for new staffing.

Mitchell: Let me just throw out two suggestions; we were talking about entrepreneurship and how it fits in. I do think in one area that I would like to see even if it just discussion; expanding the entrepreneurship into the corridors to expand or to start businesses. Committee Member Cooksey, I look to you as the entrepreneur expert since you have a great relationship with them. Do you think talking to entrepreneurs and asking where they want to expand, would the corridors be one of those places?

Cooksey: What I suggested Mr. Chairman is perhaps for a meeting that we do a field trip to various incubators that exist such as the SBTDC and the Ben Craig Center; even the new 7th Street Market has a small business incubation function. I had the opportunity to talk with

folks that are in the day-to-day business of helping entrepreneurs kick things off because that is a different mindset and a different market. In my opinion, it requires a different kind of touch that helps rather than say here is a loan program. To me, it's more about overall climate of start this and what kind of commonality. I think one of the things that the incubators can tell us is what are some common themes that startups have that we may not have encountered before.

Mayfield: I am going to ask you to go back up to number three and the comparison that we gave for some of those partnerships and how it looks on the ground. If we were to create the recommendation of a sole partnership with CMDC, is there a way for the City to have a little more meat in the discussions? City West Commons was a great idea, but now so many years later, I don't think we are seeing the anticipated result in community. As we move forward and thinking about what we discussed at the Retreat creating a new model and rebranding so that we can have more of a commitment that is more of a ten to 15 year picture instead of a five year snapshot. Is there a way for us to look at when you are looking to have these discussions so that if we are going to put funds into it that we have a little more meat around how the development is going to occur?

Richardson: I would say absolutely I think that is the discussion and hopefully help for you; we have begun to think through how it might look. When you become an operating funding partner you certainly reserve the right to adjust the relationship; we envision that. I will jump, if I may Mr. Chairman, to the relationship. We envision CMDC's new role to be recruiting. CMDC, by the way, is a partnership between the City, County and the Chamber. The Chamber's role in the relationship will continue to be recruiting companies to the corridors and we want to make sure that is happening well.

Mitchell: Mayor Pro Tem just reminded me there is a lot of talk in the community about entrepreneurship in our policy and we need to strengthen those. One thing I think that we are missing is looking at our current businesses to see if they want to expand. Do we direct them toward a corridor and say to them help us to revitalize our corridor?

Richardson: We will redefine our relationship with CMDC is between the City and the business recruiters in our community, the Charlotte Chamber. That is where that conversation will happen. That is our presentation. There are also a couple of appendixes in the back for your information.

Howard: Chris, you have done a lot of work in trying to recruit people to come to these corridors as well. There seems to be a real big gap between the recruitment that the Chamber does and the neighborhood recruitment that you have been trying to do. Fill in that gap is the only way we are going to solve that gap that we have been talking about. In the conversation that we have had, we focus a lot on Chiquita and we need them but the people that sell bananas are important too. How we fill that gap between those two is an important conversation. I'm not looking for an answer today, but that's a real problem. What happens is that we have opportunities that fall through the gaps because other people are paying attention to that.

Mitchell: Committee, thank you all. I will make one suggestion to staff; we have a very aggressive schedule like this for a while so if we can get this sent out early so that Committee Members can look it over, that would be helpful. Oakhurst Infrastructure Agreement is next.

Kimble: The question is Mr. Chairman, do you want more time to digest it and bring it back for a final product or are you convinced that we will take what input that you gave us make some changes and be ready on any action on the business corridors?

Mitchell: I think the Committee is ready but I am not going to speak for them.

Howard: I make a motion that we accept.

Mayfield: I second that motion.

Cannon: Can we go back just a moment? With the conversation we had at the last meeting with regard to the owner's having access to the money up front?

Richardson: Fronting the money…the reimbursement question.

Cannon: Where are you all in that? Is that still a work in progress?

Richardson: Our preference is still to work on a reimbursement method meaning the company has to out lay the cash for the improvement. We verify that it meets code number one and it accomplished the goal for the program before we spend the money on the back end. Now that is an issue and the guy sitting behind me will talk to you in a moment about the loan program. That is our answer to that. He is building a relationship with the lenders in the community and knows that is an issue; we have him working on it. For the policy, we would prefer to keep it reimbursement to enable us to remain that little bit of control over the final product to make sure it meets the public purpose goals in these redevelopment programs.

Mumford: There is a lot of risk with grant money. We grant money and the folks that receive those dollars don't do what we want them to do. There is not a lot of recourse for us.

Cannon: I totally get that and that aspect makes plenty of sense but it's just the idea of one that will come back and say well if I had access to the capital to be able to pay for the façade I would probably not be coming to you all in the first place. Even though it is a grant, if I have the capital why should I come to you about that? I understand the protections that are in place for the taxpayers and I can appreciate that. Thanks.

Mayfield: Piggy back for a little more clarity the question that I initially asked was can we have the discussion where a promissory note can be given. So that way we have assurance that the work is being done and the work has been completed and then once that work has been completed, we know to go ahead and pay the bank, lender whoever it is. Or if it does not get completed then they are held responsible for it.

Schleunes: I want to make sure before you head down that road that you understand that the City is prohibited from guaranteeing the debt of third parties. So while there are situations where we could pay a contractor directly after the work has been completed instead of passing it through the grantee, we can't tell the bank that if the grantee defaults on the loan we will pay.

Richardson: There is another way to attack this; some cities have a relationship with banks. That is what I mentioned to Eric Nelson a few minutes ago, so that if the grant has been approved on our side, the banks have that knowledge that the City is going to pay the money so they get a little more surety that there is a City partner as well.

Kimble: I think we understand where you want to get and we are going to try and get as close to that as we can legally and practically.

Cannon: Thank you.

Mayfield: My last question, the Appendix that is showing our investment and what the return on that investment has been, like with the façade on Crown Cleaners. Did we invest $46,225?

Richardson: Yes and the $118,819 is the leverage. If you send this today, we will total things up and show the leverage ratio so it will be clear.

Mitchell: There is motion on the floor made by Council Member Howard and seconded by Council Member Mayfield. We have a motion and a second all in favor say aye. It's unanimous.

VOTE: Recommend the 2012 Business Corridor Strategy Plan Update to the full Council for approval. Motion made by Howard and seconded by Mayfield. The vote was unanimous.

II. Subject: Oakhurst Infrastructure Agreement

Mitchell: Peter you are the man.

Zeiler: Thank you. This is one of those projects where we get to say this follows exactly the conversation. The Business Corridor fund project that is within our business corridor advances the four goals of the business corridor to eliminate blight and create a strong economy by creating jobs. It's going to promote sustainable development. This also leverages and prioritizes not only transportation but land use planning priorities. So we hit all four goals with this; it is an example of why we are looking at expanding the priority corridors because technically this project is outside the existing priority corridors. This is an example of why we suggested it. I am going to go through quickly and review the project for those folks that did not get a chance to see the graphics we had last time. We will tell you what the City participation is and what the proposed the agreement structure is between the developer and the City. Then if you so feel we can move this ahead to the February 27th meeting, which allows the developer to take a signed agreement to the International Council of Shopping Centers spring event on March 5th. He can then take this to potential tenants and say we have an agreement with the City to do this infrastructure work and begin getting some advanced leasing discussions.

Mitchell: Before you start, I think it would be helpful to all of us, especially to District 5. Have we had opportunities to sit down with John Autry and see how he feels about this project?

Zeiler: We sat down with Councilman Autry and he is in full support of this. He attended the Oakhurst Community Association meeting with the developer and they both expressed their support of it. The last time I talked with Councilman Autry, he made some comment about what we have to do to make sure that this gets done.

Mitchell: O.K.

Zeiler: He is clearly in support of this.

Cannon: I can appreciate going back through this project again; I have seen it and I have looked at and I am going to make a motion to move through it.

Mitchell: We have a motion from Mayor Pro Tem and a second from Councilman Howard. Are there any questions? All in favor say aye. Opposed? Great presentation.

VOTE: Make a recommendation to City Council for approval of the Oakhurst Infrastructure Agreement at their February 27th Council Meeting. The vote was unanimous.

III. Subject: Proposal for New SBE Loan Program

Richardson: Mr. Chairman, the next item we would like to present to you has been in development for a while. In fact, I told you incorrectly at the last meeting that we could do this and we are going to start meeting with some government Community Development Block Grant (CDBG) dollars and I thought we would just be able to employ and just notify you. But on second thought, we want you to approve it.

Mitchell: O.k., this will be new activity for us.

Richardson: I will refer you to the attachment on this program for what we are calling the SBE Certified Small Business Enterprise Mobilization Loan. It is important for you to know that this is a pilot program; pilot in two sentences. We are going to be talking about contract lending. The big idea is SBEs are working as subcontractors have a relationship with the general contractor and they need working capital on a short-term basis to keep the payroll

flowing, buy new equipment and compete for the next project. They need access to a short-term loan based on the value of the receivable that they hold. So it's a pilot in two phases; one is we think that model in the duration. We are asking for authorization for the next two fiscal years to try this out. The second idea is that if this works for City contracts, there is no reason we can't bring to you some examples of how this may work with an SBE in the County or School Board or even an NCDOT State contractor. Eric Nelson is our small business lender; he has put a lot of time into this. That is why we want to do this program. I am going to let Eric talk to you about eligibility of businesses. I will point out to you two functions; CDBG dollars are being utilized for the majority of this loan program. There is an instance where we still may want to have some flexibility using the CDBG loan program; City money versus Federal money. Because some loans when they approach $35,000 to $40,000 require by Federal law a job to be created, that is probably what will happen. We don't want to have a small business come in and say I need some working capital to the tune of $30,000 to $40,000 and we say that's fine it fits the program, but you are going to have to hire somebody and that would not make sense in that scenario. We want to tack onto this the business loan and grant fund as a safe guard in that instance so that is why we have two sources of funding and Eric will go into that more with you as he talks about the program. Eric has really done good work in the last six months by the work he has done and the outreach not only to SBEs, but lenders in our community. He understands the environment in a way that we have not had the capacity to do before.

Mitchell: I think it's important to share your background because when you are talking about lending money, this is all new to us. I think we need to know where you come from.

Nelson: I have been with the City since July 2010 after a 25-year career in banking. I have worked at Wells Fargo and a couple of other banks in a senior level position doing specifically what we are doing here, but on a larger scale. We have worked with businesses for quite some time and have a very clear understanding of what those needs are to begin to explore options and opportunities to provide businesses with some funds to help them be able grow where they obtain the contract and actually paid by the contractor. The money used to mobilize those is the name of the program; mobilization to pay their laborers, buy material and things of that nature. One of the things we would able to determine early on is that a lot of the businesses that we were talking to were always talking about the absence of having that fund. With the economic environment over the last two to three years, it's has become increasingly important to ensure that businesses have those funds. With that all being said, we thought we would look at the method and be able to quantify that information. It's nice to think that is how things are but we wanted to be able to quantify that, so what we have done from a methodology standpoint, we took the time to look at and talk to SBE firms. In late July, we sent out a survey that pretty much dealt with general and broad questions. Those questions that got more specifically with if you have certain things would it help your business, if you find that meeting your payroll cuts into those expansions or create challenges. What we found was those were issues that SBE firms seemed to be interested in. We wanted to make sure that we had some hard data so we went back and asked them very specific questions. Once we were able to identify what those areas were, and when we asked them specifically what do you mean, a resounding 83% of the persons that we received responses from in the second survey said it was working capital. So the challenge became how we continue to assume the future responsibility and we take that seriously to ensure that your tax dollars get paid back. We met with groups of companies including CMS, the County and some entrepreneurs. After

we talked to the stakeholders, we brought a smaller group in to make sure before we presented to this Committee. Please refer to your attachment titled, "SBE Mobilization Loan" and you will see the minimum requirements. Eligible businesses will be City SBEs certified for a minimum of two consecutive years. For profit businesses engaged in subcontracting on eligible municipal contracts and demonstrating a need for working capital for account receivables, acquisition of inventory, and or materials. We want to make sure that we are doing business with firms that have a track record of performance; we are asking them for recommendations, either recommendations from a KBE or two letters of recommendations from the prime contractors.

Howard: Recommendations from KBE?

Richardson: It is the idea that before we lend money, we want to have some sense of repayment. This is a risk mitigation activity and we want to qualify them so letters of recommendation for those that they have worked for; contractor probably or City Procurement Contract Administrator.

Nelson: We are not going to shirk underwriting requirements; we are going to continue to look at that company and at their capacity to do the work from a financial prospective as well. We think this is a way to help those companies that may be starting out or companies that don't have that much experience. We will pay attention to see that they pay their bills in a timely fashion but we think that character and integrity is critical.

Mayfield: Looking at those letters of recommendation, do we also have a check and balance in place to ensure that we are tracking to make sure that the prime doesn't have a history? We have heard in the community from a number of minority business owners that they have had some conflict and difficulty receiving payment from some of these primes. I don't want us to sign off in an environment where people have had the biggest problems are now the ones they have to go to in order to receive that recommendation for their business.

Mitchell: If we look at the application and take away the letter of recommendation from the KBE to you, would that help the program?

Nelson: No.

Mitchell: He is being kind but someone signed a recommendation that served Federal time; this is our way of protecting our staff. Is everyone o.k. with taking that out?

Kimble: We are making notes today at the end of this discussion and need you to tell us whether you are comfortable moving forward with the changes we are making now or whether you want us to bring this back to you at another time?

Cooksey: What is the difference between a City employee signing off on a letter of recommendation and a City employee signing off on allowing the loan? Committee response please or anyone that knows the answer to that.

Howard: A simple letter saying that I know the organization to be fit and to do the work, which is different from an underwriter going through everything and qualifying somebody.

Kimble: I think somebody who is implementing the policy position of Council makes that determination and that is why it's a qualification by somebody in Neighborhood & Business Services.

Cooksey: Is there room in here for us to put a limitation on what we expect the default rate to be? We have had one firm where the default rate was 15%, which seems a bit high to me. Can we put some way to evaluate these firms that would include a minimum default rate?

Richardson: That is an idea that we would like; a pilot program means we come back in 18 months with a go no go program and those are the kinds of things we would bring back.

Cooksey: Maybe not a limitation during the pilot process which is something to think about.

Mitchell: Are we all clear with the measurement of the default rate portion of the pilot program? O.k., let's make that part of the 18-month pilot program.

Mayfield: I would be more comfortable if it comes back with these changes and the discussions we are having now.

Nelson: To minimize the level of default in this Program, several of the bullet points address that issue for you. The minimum loan amount will be $15,000, the maximum loan amount will be $75,000 and the advance rate on eligible contracts will not exceed 85% of contract receivable amount. All loans will be secured with the first lien position. The City may require other security as circumstances indicate. Interest rates will be fixed for the term of the loan, and will be tied to the Prime Rate + 1% at the time of loan closing. Principal repayment of the City's loan is deferred until payment has been received from the prime contractor, not to exceed six months. Payments from a prime contractor for all work associated with the City's loan agreement are required to be made jointly payable to the City and to the SBE.

Mitchell: Those of us that have been in construction work understand joint pay.

Cooksey: Will there be any provision that limits the amount of the loan to no more than the contract amount involving the SBE or will the loan potentially be greater than the contract amount? Oh, I'm sorry, third point second line. Sorry about that.

Nelson: One thing that is not on there is that the documents that are prepared for us provide a safe way to ensure that we can get our funds back; they have been instructed to make contact with Legal.

Mitchell: Implementation schedule for July 1st in this fiscal year?

Richardson: If you are o.k., you will see this on the 27th or the first meeting in March. Eric is working on materials to roll out on April 1st. Small Business Month will be a good time to announce this as well.

Mayfield: Do we know the turnaround time?

Nelson: What we are shooting for is a ten business day turnaround.

Howard: Is there some restriction on SBEs being located in Charlotte?

Richardson: I think we have Mecklenburg County in mind for this program.

Howard: What if someone is a prime on a small deal but still needs some help?

Richardson: The need that has been communicated is subcontracting. Many SBEs however operate as primes and we have talked about that. I think the answer to your question is that during the pilot program, we prefer to get good at one thing. Subcontracting money is the stated need.

Howard: I would like to put a bullet on that one. If we can get deals down small enough so that the SBE could do it and they still have a cash flow issue we should still help them too.

Richardson: I see your point.

Howard: The minimum is $15,000. I am wondering why we put a floor on it.

Richardson: This is not a micro micro loan; there are others that are filling that space in the community. This is not that and I think the underwriting cost and the paperwork are prohibitive.

Howard: Can we look at the next bullet regarding the six months issue? The only reason it jumped out at me is that we want as many people involved with the Blue Line Extension as possible. That is going to be multiple years some of these deals; maybe more of we need you to help us this one time so that we can get all the way through it and that may be more than six months.

Nelson: Typically, they are receiving progress payments so that portion of the contract requires that they receive and we would loan against that portion of the contract. What we are trying to do is meet the short time need associated with that contract.

Kimble: The title of the program is the SBE Mobilization Loan; it's getting them started and once they are in that flow then with the progress payments, it's gets the startup and the activation of the contract.

Mumford: These are great comments, "what if this and what if that". What we are trying to do is manage the rule and not the exception. We will track this through the pilot and if we find that there are a lot of people with contracts that extend beyond six months, then we will modify it. Or if we have lot of requests for $10,000, then it makes sense to modify that too. We feel going into it that this will take care of the majority of the requests based on the input we have had from contactors out there.

Howard: The first lien position on what? The contract they have with the prime, o.k. The last question, the point to this program is to help people not to make money?

Nelson: And we probably won't make money.

Mitchell: Eric, the 4.2 that is to cover costs on the administrative side?

Nelson: Based on the market that is a pretty good offer.

Cannon: Are we supposed to approve this?

Kimble: It's your choice if you want them to come back or not.

Cannon: Tell us about the maximum. Why $75,000? We don't know what SBEs will come before us and what they might do in terms of their discipline.

Nelson: That is a valid point. What we would like to do is not put too much funds out to any particular SBE firm and take as many precautions as possible.

Cannon: Did you say you wanted to make sure that there is more to spread around?

Nelson: Yes that we don't become a bank and begin to look at large sums of funds. We want to keep it manageable and have opportunities for many companies.

Mumford: And that is what I said earlier, if we find that we are not getting enough people in because they need a $100,000 loan, we will come back to you. We would not hesitate after three months and had no volume. If we change these two things, we would have a lot of volume.

Cannon: I understand. I just want to make sure that if we are going to light a pilot that we are not leaking gas.

Mayfield: Has there been conversation about a cap on the number of grants that we have out at any given time or where it's going to make them available based on whoever applies?

Howard: Not a grant.

Mayfield: O.k, access to funds. Are we looking at this is how much we have set aside for this?

Nelson: We have some activity; would be sparse the dollar that we typically asked for is in that range.

Mitchell: To be clear, $2,600,000 to $2,900,000 is the cap?

Richardson: $2,600,000 is CDBG money that will be the primary focus for this so I would consider that to be the cap.

Mitchell: $2,600,000 is the cap for the Mobilization Program. Ms. Mayfield, are you o.k.?

Mayfield: Yes, thank you.

Mitchell: Great comments. Thank you staff.

Nelson: We will bring this back on March 1st.

IV. Subject: SBO Good Faith Efforts

Kimble: We have had good conversations at Council meetings about the SBO Program, meeting goals, not meeting goals and Good Faith Efforts (GFE). We wanted to start the conversation with a review of how we currently do it, which will then today help you for future meetings figure out what purpose you might like to make toward GFE.

Mitchell: Nancy, the floor is yours.

Rosado: In the package, you received a one page summary that gives you background on the GFE component of the SBO Policy. We also included form V and those are the GFE requirements. We have GFE's because the City's legislature allows us to have a goal based GFE program. Anyone that has a program similar to ours has to have a GFE program. The state and DBE programs have goals. The City program has a total of 350 points that a prime contractor can earn when they don't meet an SBE goal. In order for a contractor to be deemed an SBO compliant, they have to meet the SBE goal or they have to earn the GFE's. The way that they earn the GFE is that there is 350; there are 20 different measures that add up to that 350. Right now, our GFE's at 155 and that is typically what they earn to be deemed compliant when they don't meet the SBO goal. In FY11, we had 85 contracts that had SBE goals on them. Out of those five, we awarded through GFE's the remainder met the SBE goal; that is only about 6% of contracts.

Howard: How many for the last five years? I would like to know that trend.

Rosado: We have done that study; it may be difficult to go back to when the program was first initiated.

Mitchell: Cindy, is the 165 what we established or the State?

White: We did. Under the SBE program, we have flexibility to increase that number as long as we can say there is flexibility. There has to be flexibility to have Good Faith Efforts.

Mitchell: In front of us we have a GFE requirement of 165 so this is a true form that we use.

Rosado: That form goes out with every City solicitation document that has an SBE goal tied to it.

Mitchell: Turn to SBO page five and item 25, E.D. added that over two years ago; I give Nancy Carter a lot of credit for that. My point is that we have changed the GFE before and that is the last change that we made.

Rosado: So when you look at the form, you will see all of the measures that a prime contractor can earn in GFE points. The first one is notification of subcontracting opportunity, typically that is filled out at the pre-bid. A bidder will let us know what opportunities they are looking to subcontract. When we develop an SBE goal, we estimate what the subcontracting opportunities are in that contract; a prime or bidder may choose to sub out more than we identify. We are going to pull out those items that are subcontractable and that we have SBEs in our database that can meet that. So if there is a subcontracting scope that is identified and we have no SBE certified, we would not include that as a liable. So we are looking at hauling, painting, HVAC, electric, those kinds of things. They have to submit this form fourteen days before bid opening timeframes must be met and documented.

Mitchell: What happens if they make it late?

Rosado: We don't count it. If they make less than seven days, we count that on the eighth day; we would not count it.

Cannon: How do we define a contact?

White: We are very specific about that the initial contact, it must be by fax, e-mail or mail. If it is by mail, they have to get a certified receipt for mail. Basically, you have to give us some

proof that you made that initial contact. The initial contact cannot be by telephone but the follow up contact can be made by phone.

Cannon: I am a bidder and I have faxed this to a proposed SBE and it will say from my system, it will say that it was sent and it was received by the SBE fax machine. But now the SBE never got it and says he never received it. Do I still get ten points?

White: You would if we had an SBE that came up and said wait a minute I didn't get it; we would probably take a little closer look at it. But the answer is yes we do give credit based on that documentation.

Cooksey: The SBE did receive the information by fax or mail. Is there any kind of auditing going on?

White: There definitely are audits going on, but I can't honestly say that if someone give a fax sheet that shows that faxes went through that we will follow up on those. I don't know; I guess that it would depend on the circumstances. I know we have had, and some of the other SBEs, when we reject bids if the cause of someone's auditing and found out the compliance was not what it was purported to be. So they are good and they are diligent and they follow up and they catch something in firms making the initial contact. Are most people making the initial contact by fax or e-mail?

Rosado: Most are making that first contact by e-mail.

Cooksey: The example you gave for FY11, were those five audited to make sure that the GFE numbers were factual?

Rosado: If there were something in our compliance process that indicated that we needed to do that then we would.

Cannon: Did we audit those five?

Rosado: We would go through each one. For example, they have to do this on the minimum contract so we are going to look to make sure that there are not any duplications. We are very detailed in our compliance. Now, are we contacting each one to confirm that they actually received it? It depends on the situation, typically no. If we find that there were 20 minimum contacts that they had to make and ten of them showed up to be duplicates, now we are going to question all of it so then we may go back and do a more diligent process on that goal. If we see that they have followed the process, we would not.

Cannon: Fax, I have a concern about that. Two, I have a concern about even e-mail. If an e-mail doesn't bounce back and I am off one character and yet it goes through, I am thinking that I am sending it to this person in good faith and it doesn't get there for whatever reason, but yet that is still my proof on my send box. The only real level that there is some level of assurance for insurance is certified mail with a signed receipt. I would like to see us consider throwing out these other two gray areas; there are too many holes there.

Rosado: We supply a source list with each bid package and so we are giving them the contact information. If for some reason they mistype it and we see that we are not going to give them credit; however, if they use the e-mail that we provided and it bounces back well then we will give them credit for our error. Now the secretary can get it, sign it and put it in a drawer without the owner ever seeing it. However, when you send it by e-mail, the chances are that the owner will receive it in his in-box as opposed to mail that can possibly get lost. How many times do we get stuff that was misrouted?

Cannon: My secretary picks up my e-mail.

Howard: The whole reason for the GFE is because we felt like it was not as strong as it could be. So when we actually have somebody, who for one reason or another, says I did it but I am not going to make the goal. I think there should be a higher level for them before you come to City Council and say we want to approve them based on not meeting the GFE. So

if you really want to get a contract with us in that way, you are going to have to go to another level to prove it. The folks that made it fine; you don't need to audit those the way you have been doing it. But for the folks that want to do it but don't make it, understand what you want to do is make them go back and try harder.

Cannon: It's just getting to those that want to create an opportunity for an SBE, but history has been that folk out there have not genuinely tried to bring someone on to help them. I don't know if we have developed the kind of culture that we should have in this community to ensure that primes have it within them to want to reach out to make sure that they are inclusive.

Cooksey: Eighty out of 85 sounds like a pretty firm culture to me, granted you may be talking about things out of our control but what is within our control, 80 or 85 sounds pretty strong.

White: If somebody meets the goal, they don't have to do any Good Faith Efforts the way the bidding happens. As you all probably know, a lot of the bids come in on the day the contract is due; a lot of the subs will only give their bid that because they don't want somebody to bid shop, so they don't bid early. Contractors will go ahead and try to make the GFE because they are never exactly sure until that last minute that they are going to meet the goal. Most of them will go through these efforts or at least try to and then if they meet the goal, it's a non issue. It's only if they don't meet the goal that we do the audit and staff does the auditing. I think the things that you are talking about like certified mail are things we can talk about and implement.

Howard: The idea is that the only ones that are looked at are the ones that don't meet the goal?

White: Exactly.

Howard: Is there an automatic audit of that person?

White: Yes.

Howard: And what you just outlined is just checking everything?

White: What happens is if they are the low bidder and they did not meet the goal, when we get their bid and we see that they didn't meet the goal, the SBO office and Engineering asked for their paperwork. They have to give documentation and they have to fill out this sheet that we were looking at and check which ones that they plan to meet. For most of these, there is documentation and permits that they have to submit. There are gaps but staff goes through that with them.

Kimble: The audit is to be sure that they are meeting the letter of the GFE that we have written down. It's to confirm that they did indeed send a fax if that is the way that they did it and they have documentation of that fax. But it doesn't go to the extent of calling the SBE who might have received a fax from the other end. It's the level of detail of the audit but the audit is being done to verify that they followed the letter of the policy.

Mayfield: Going back to the GFE summary, we have established a 10% SBE goal? Do we have room to increase that number?

Rosado: That was just an example used in the summary. On some projects, the SBE goal may be three to as high as 16.

Mayfield: Let me rephrase my question. I am wondering if we can have a higher goal for SBEs.
What I'm noticing is some of the contracts that are coming through, even though they have met the SBE goal, that's still such a very low number. Whether it's through the scoring or through the GFE. For example, is a $600,000 project the SBE goal that company will make less than $20,000 to $30,000? I don't see how an SBE is able to grow like that.

Rosado: We have a goal setting matrix and the goal matrix divides the goal on each individual project based on the number of subcontracting opportunities that are available so it

depends on the project. You look up the number of subcontracting opportunities and then you look at the subcontract value of those opportunities. That is how we establish a goal, and it depends, you may see like a utilities project where you may have a $20,000,000 pipe project, but most of that money is for materials like the pipe. So now you eliminate all of that so you can't set the goal on that $10,000,000 because there aren't any realistic subcontracting opportunities. You can't just set a blanket goal across the board; you really have to look at the project and see what sub opportunities are available.

Mitchell: Can you explain to her as well as availability how you set the goal? It's about the availability of the SBEs that can do the work.

Rosado: That is not part of goal setting matrix but it definitely does come into play.

Mitchell: Repeat that? It's not part?

Rosado: No and during the Restructuring Government Committee meeting, the last process that we went through we took out the SBE availability from the goal setting matrix. We look at subcontracting opportunities and we look at the value of those opportunities.

Mitchell: So we changed from availability to the value of the contract?

Rosado: Yes.

Mitchell: Can you send that back to us?

Rosado: Yes, do you want the goal setting matrix?

White: If there are any SBEs in the subcontracting opportunity then they count. Where you will see it is with you building. You have a lot more subcontracting opportunities then you would with a utility contract.

Mitchell: Oscar Orentez, the guy that texted us, flip over to the second page; we have section 5.320 the SBE goal are more than 50% of the past project. His past project was McAlpine. He did not get the SBO goal so I think we can use that as a good project to look at. How did we score that previous work he did exceed? It would be interesting to see what we scored him.

Rosado: He did not claim that and we would have not given him credit for that if he did not provide documentation. These are all options, so some folks in order to get the 165, you can use any combination. That is a menu that they can choose from that will add up to 165. All of these options will add up to 350; they only have to get to 165.

Mitchell: My passion is creating more SBE opportunities; we can make sure that we raise the GFE so that we pushing the GC's to reach out to the SBE's or we need to go a little higher. I do think from the phone calls that I get from the small business world there is some laughter and chatter about our GFE's. I think we lose trust with the communities that continue to say here is your GFE program; you need to have more teeth. I know now as a policy maker, and it's not you all at fault, now I am giving them a menu selection of how they can get to the 165. If I am going to give them a selection, I need to raise that bar to 300. I think 165 is way too low because we have seen how people can use that to their advantage.

Cooksey: By way of record, the State total, what is the number they have to hit?

Rosado: They have a total of 155 on the State and they have to reach 50 points out of the menu that they have of the 155. All ten of theirs are included in our 20.

Cooksey: We are 165 out of 350 and the State default is 50 out of 155? I think I can sense which one is easier to hit.

Mitchell: Cindy, can we make some GFE requirements or do we have to give them a menu selection?

White: We have to keep it GFE-based and I think that implies some flexibility. It's not to say that certain things couldn't be made mandatory, but I think you would need to have some

of them to be optional. One example of where we have already done that is the State has a GFE for good faith negotiations; to them that is a GFE. To us, that is mandatory and for everyone that submits a bid, they have to tell us which SBEs contacted them and why they did not use them. It has to be because they weren't qualified or they weren't as qualified in a way that would make a material difference. So for us, you can't say you have made the GFE if you did not negotiate with people. If we have a mandatory checklist, we start getting close to not being GFE-based. We could arrange for points so that we have flexibility.

Mitchell: I think we need to get to the point of building relationships. This is a relationship type business. To me, we need to raise the point of people having discussions. Ron Kimble Construction meet with David Howard Labor and Patrick Cannon Electrical Work, Warren Cooksey is the GC that is how we are going to build capacity in our community. Forcing relationships with a face to face dialogue; we rely too much on Internet and e-mail. So what exercise we all need to do is to bring this back. We all need to look at it and make some suggestions. If we give it to the staff prior to March 1st, I think it will be helpful. If you can send us the goal matrix. I have been totally wrong, I thought it was on resource availability and I didn't realize it had changed. One thing you did mention is that there are 20 separate GFE categories that they can choose from, so this is a list of 20 of them right here. Are there any other comments for Nancy or staff?

Cooksey: As long as we are asking for data for those five that we are referring to. Can we see a chart, GFE's (1–20) and winning bidders (1-5)? Which ones did they use?

Kimble: We want you to lean together with us and together we strengthen the Program.

Mitchell: Thank you staff. There are a couple of other items, Mr. Kimble.

V. Subject: CRVA February Barometer Report

Kimble: They have their board meeting once a month and we always bring data from that meeting so here is the heads up. Joe Howell and Tom Murray are coming to your first ever 4:00pm Dinner Briefing on February 27th to give you an update on what is going on at the CRVA organizational change.

Howard: Are they making changes with Tom?

Kimble: They are doing some straightening work to taking new missions and a new vision. Looking at their organizational structure differently and looking at their packaging of resources within their employment group differently. I really think they are giving a fantastic effort. I don't think they going to have the reorganization of the staff plan ready until the first part of March, but they are going to tell you how they are going about it.

Mitchell: Committee and staff thank you. Let me tell the Committee a couple of things; you see our backlog, we have about five or six items in the queue. Staff, if you can, we are going to push them through as fast as we can get comfortable. Our next meeting is March 1st.

Kimble: I see three items on that agenda and I have asked John Connaughton of UNCC to be available to come to the meeting on the Economic Impact of Sports. The press conference I think is next Tuesday; we are trying to get word to you about the press conference. I think they need to present the actual report results to you as a Committee by John Connaughton. Then you have the SBE Mobilization Loan Program, bring that back and then we have Small Business Week.

Cooksey: When are we talking about recommending the new Focus Area Plan to Council?

Kimble: That has got to come on one of these. I think it has to go to Council by the end of March so we might be able to get the draft.

Cooksey: We have the documentation from the Retreat.

Kimble: We are also updating it based on some of the conversation we had on Friday at the Retreat.

Howard: You brought up the DNC and what we heard at the Retreat; we also heard from Donald Fowler on a different level of engagement. He mentioned that the Mayor put that Committee together. I would love to know what we would do with that advice. If the Mayor is thinking about doing something that Council should be thinking about it.

Kimble: That is the very thing that I am mentioning; we are always hitting that with the Chamber and we are going to bring that back to you in the Focus Area Plan how we plan to address that.

Cannon: Is that the same issue that I was asking about?

Kimble: Recruiting new businesses and capturing them when they come, talking about business customers internationally and consulate offices here in Charlotte for the long term future.

Cannon: Yes and the Mayor does have an interest in that.

Mitchell: We are adjourned

Adjourned: 5:00pm

Economic Development Council Committee
February 16, 2012 at 3:00pm
Room 280

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

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. BUSINESS CORRIDOR STRATEGY PLAN UPDATE– 30 minutes
Staff: Brad Richardson & Chris Hemans, Neighborhood & Business Services
Action: Review draft of the Business Corridor Strategy Plan update and provide feedback to staff. Staff will incorporate Committee feedback, and bring the final plan update for Committee review on March 1st . No action requested.

II. OAKHURST INFRASTRUCTURE AGREEMENT –15 minutes
Staff: Peter Zeiler, Neighborhood & Business Services
Action: Review Oakhurst Infrastructure Agreement and make a recommendation to City Council for approval at their February 27th Council Meeting.

III. PROPOSAL FOR NEW SBE LOAN PROGRAM – 15 minutes
Staff: Eric Nelson, Neighborhood & Business Services
Action: Review program description of new loan program for certified SBE's using federal CDBG funds, and consider a recommendation to City Council for program approval at their March 12th Council Meeting.

IV. SBO GOOD FAITH EFFORTS – 30 minutes
Staff: Nancy Rosado, Neighborhood & Business Services
Action: Receive an overview of the current Good Faith Efforts (GFE's) used in the City's Small Business Opportunity (SBO) Program. No action requested. **Attachments**

V. CRVA FEBRUARY BAROMETER REPORT – (Information Only – Attachment)

VI. NEXT MEETING DATE: March 1, 2012 at Noon, Room 280

Future Topics & Tentative Schedule:

- Economic Impact Report on Sports (March 1)
- Business Corridor Strategy Plan Update (March 1)
- Small Business Week Update (March 1)
- High Growth Entrepreneur Policy (March 15)
- Disparity Study (March 15)
- Business Investment Program Revisions (April 5)
- Joint Meeting with County ED Committee (tentative: April 19)

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

CHARLOTTE
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Business Corridor Strategy Update

Economic Development Committee
February 16, 2012

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Summary of Draft Recommendations

1. Enable the utilization of Business Corridor capital funds in areas of opportunity outside of priority corridors.
2. Update matching grant programs to increase effectiveness .
3. Better utilize the Charlotte-Mecklenburg Development Corporation (CMDC) in the City's redevelopment efforts.
4. Develop strong merchant associations in each business corridor.
5. Conduct retail market assessments as needed to attract goods and services to commercial areas.
6. Conduct parking demand analyses as needed to support vibrant commercial nodes.

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NEIGHBORHOOD & BUSINESS SERVICES

Oakhurst Infrastructure Agreement

Action requested

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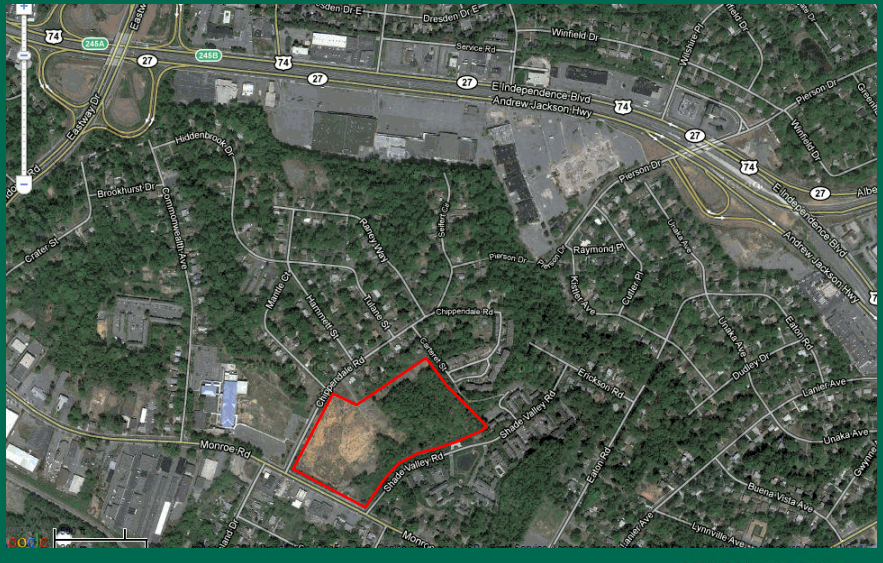
Project Site and History



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Redevelopment Proposal

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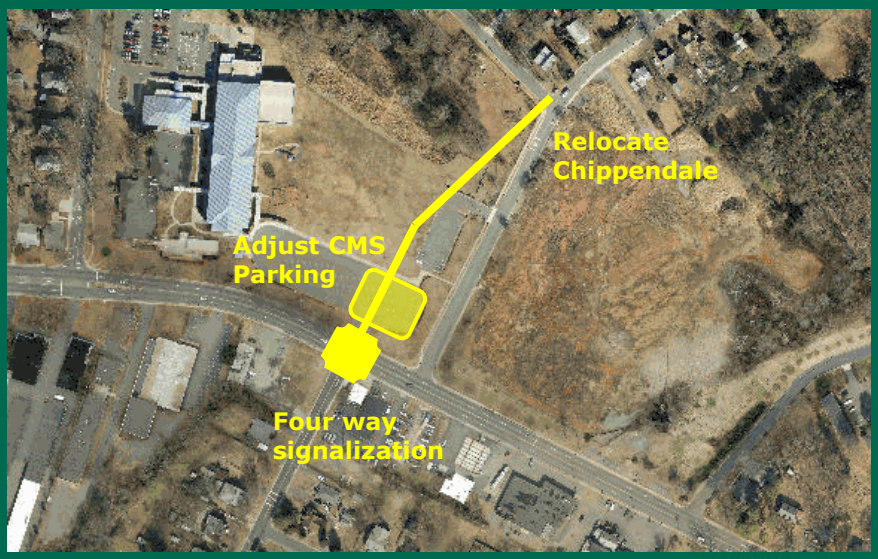
Infrastructure Scope



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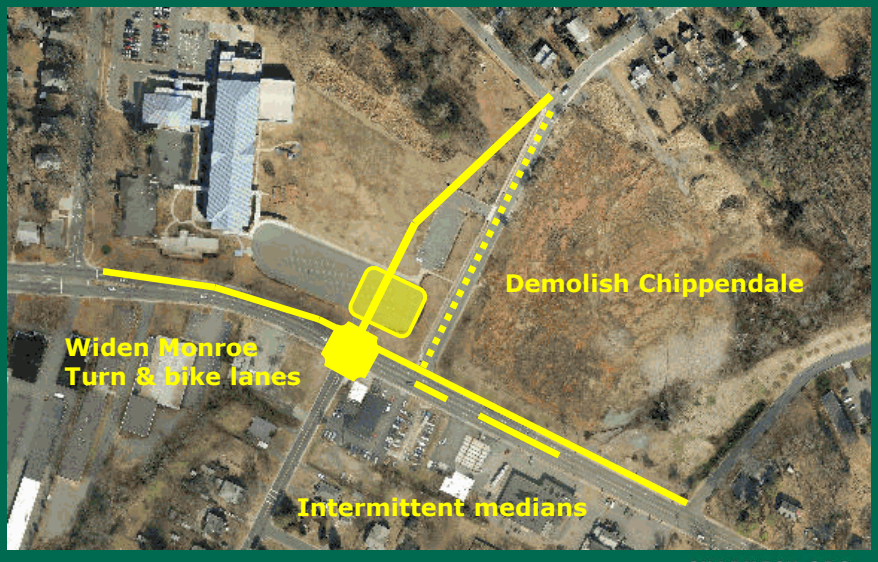
Infrastructure Scope



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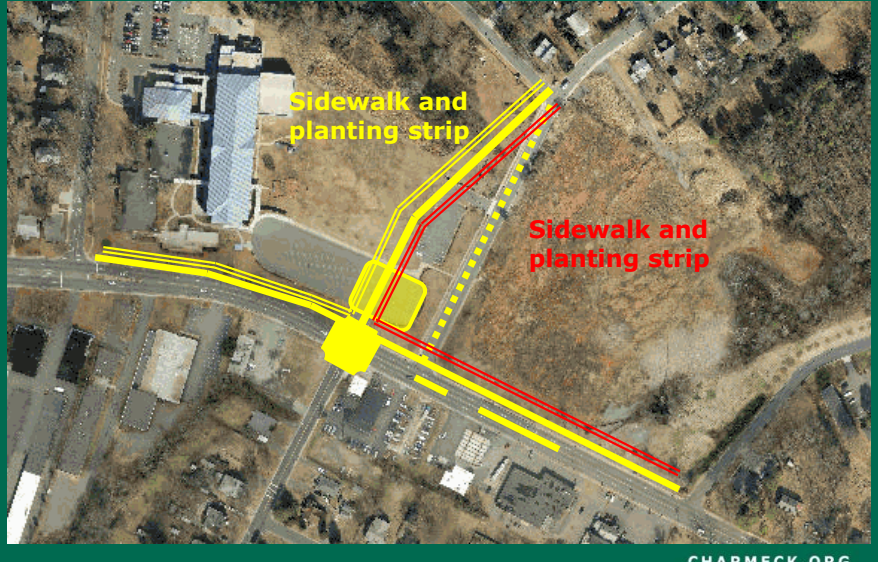
Infrastructure Scope



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Oakhurst Infrastructure Agreement

City responsibilities:

- Design, bid and construct road improvements and associated infrastructure.
- Negotiate parking solution with CMS.
- Budget not to exceed $1,900,000.

Developer responsibilities:

- Construct/fund sidewalk/planting strips on site.
- Secure construction financing within three years.

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Oakhurst Infrastructure Agreement

- Deed of Trust placed on property equal to infrastructure project final cost.
- Developer has three years from infrastructure completion to secure construction financing.
- Deed of trust subordinates to construction financing.
- Deed of trust extinguishes when certificate of occupancy issued or ten years.
- Completion of residential or retail only extinguishes ½ of deed of trust.

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Committee Action Requested

- Recommend that City Council authorize the City Manager to negotiate and execute an Infrastructure Agreement with Krug Development for roadway and other public improvements for a cost not to exceed $1.9 million for the Oakhurst Redevelopment Project.

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Proposal for the SBE Mobilization Loan Pilot Program FY12-13

Action requested

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Purpose

- To assist owners of certified Small Business Enterprises (SBEs) acquire short term, low rate financing to support their temporary working capital needs as they participate in City projects.
- To increase City utilization of certified SBEs in City contracting.

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Stakeholder Input

- SBE Financial Needs Survey
  - July 28, 2011 – 77 SBE Firms
  - August 23, 2011 – 59 SBE Firms
- SBE & Stakeholder Focus Groups
  - November 15, 2011 - 20 SBE Firms
  - January 12, 2012- 11 Stakeholders
  - February 9, 2012 - 4 Stakeholders

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Committee Action Requested

- Recommend that City Council approve the SBE Mobilization Loan Program for FY12 and FY13 to provide short-term working capital for certified SBE's participating on City projects.

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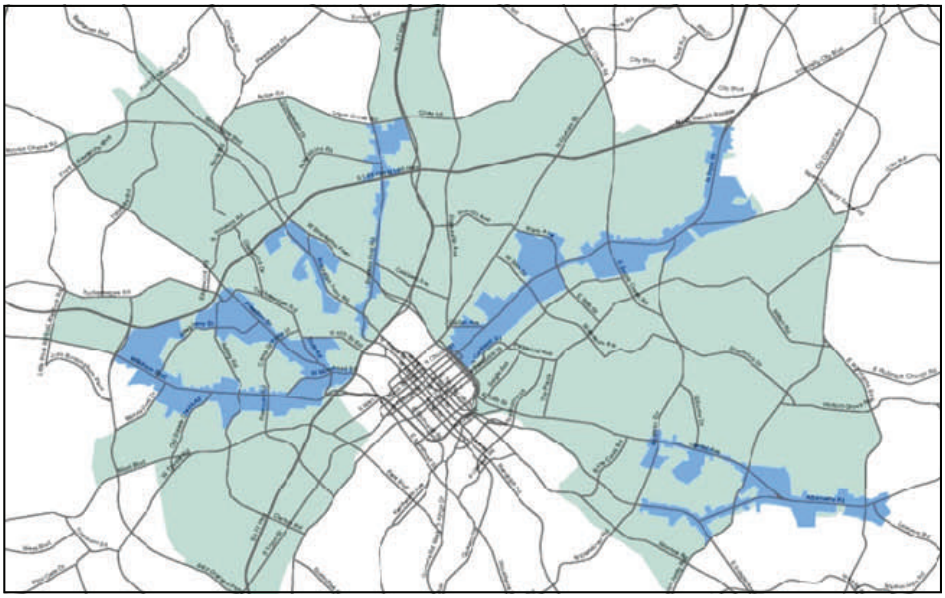
THE City of Charlotte Business Corridor Plan Update

2012

1. Introduction
2. Geography and Activity Review
    - A. Overall Geography
    - B. Priority Corridors
        - Rozzelles Ferry Road
        - Beatties Ford Road
        - North Tryon Street
        - Freedom/Wilkinson/Morehead
        - Eastland Area
3. Lessons Learned and Recommendations
4. Appendix



INTRODUCTION

Since 1988, the City of Charlotte has embraced the idea of focusing economic and neighborhood development activities in specific areas of the community exhibiting significant need. In March 2007, the City Council adopted a Business Corridor Revitalization Strategy to provide specific policy guidance to assist distressed or underperforming commercial areas in the community. The following policy statement and goals were established by the Plan:

Policy Statement:
The City will take a leadership role in developing and implementing public and private collaborative strategies and investment that aim to 1) Attract private sector investment to grow jobs, business and services; 2) Expand the tax base in the business corridors; and 3) Support the revitalization of the corridors into mixed-use areas promoting the adjacent neighborhoods as safe, viable and sustainable.

Goals:

- Eliminate blight
- Create strong local economies
- Align City policies and programs
- Promote environmentally sustainable development

Since that time, the City, along with the rest of the nation, has experienced significant distress due to the Great Recession, which began with the collapse of the housing market in 2008. The past few years have been characterized by distress in the financial services sector, followed by a freezing of the commercial lending market, high unemployment, and stress on homeowners and already fragile neighborhoods.

Additionally, the City took significant steps to enhance the delivery of quality services by creating a new City department called Neighborhood & Business Services (NBS) through the merger of Neighborhood Development with the City Manager's Economic Development Office in 2009. In 2011, NBS further advanced its service delivery model by introducing a new Service Area Team strategy, with staff deployed in four district offices to provide more responsive citizen service.

Given changes in the economic environment and City's organizational structure since 2007, the purpose of this document is to provide an update to the City's Business Corridor Revitalization Strategy.

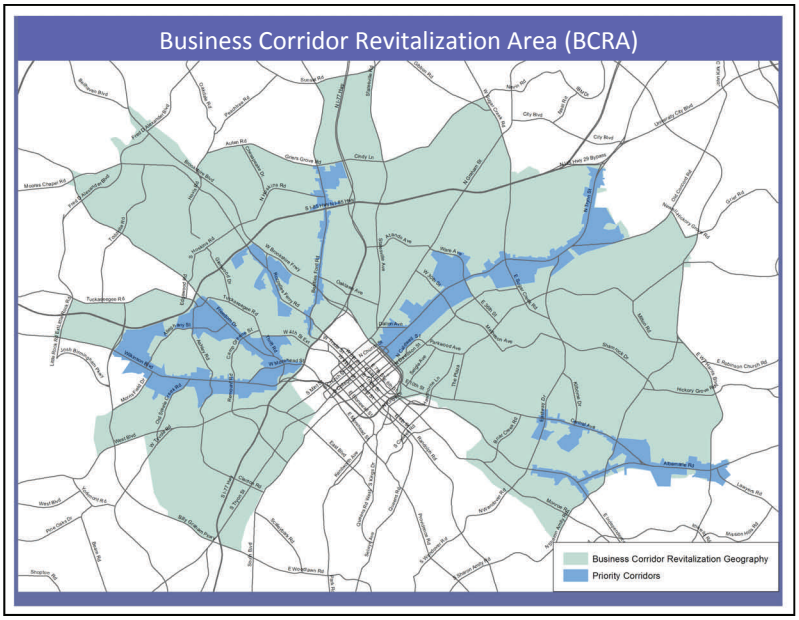
GEOGRAPHY & ACTIVITY REVIEW

Business Corridor Revitalization Area

The Business Corridor Revitalization Area (BCRA) had its genesis in the 1970's as developing greenfields and suburban flight threatened to irreparably harm the close-in neighborhood and commercial districts near the heart of Charlotte. Civic and community leaders focused their efforts on a crescent-shaped "City within a City", or CWAC, as it was called where they observed a diffuse pattern of disinvestment, higher vacancies and declining property values, coupled with a marked increase of empty and blighted structures that merited a specific call to action.

The Business Corridor Revitalization Area follows generally the same crescent-shaped pattern as seen in Illustration 1 below.

ILLUSTRATION 1



What is a Business Corridor?

Running throughout the BCRA are several linear commercial districts, or "business corridors", including West Boulevard, Statesville Avenue, Graham Street, Monroe Road and Central Avenue. In 2007, the City Council, with a goal of focusing its economic development efforts on areas of greatest need, identified five "priority" business corridors and provided an initial capital contribution of $8.9 million in 2007, $6.1 million in 2009, and a $2 million appropriation in subsequent years. Currently, the City maintains a balance of $15 million in the Business Corridor Capital Fund ***(see Appendix IV).***

The five priority corridors are described more fully later in this section.

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THE CITY'S REDEVELOPMENT TOOLBOX

The following programs are administered by the City to encourage economic development in the priority business corridors:

- *Economic Development Revolving Loan Fund* – Established in 1985. The Community Development Block Grant Program was established to provide financing assistance to projects providing HUD eligible low/moderate income activities through job creation or new services provided to low/moderate income persons or areas. There is no maximum loan amount, but loans typically include bank participation, documentation of a "but for" financial gap in the financing plan, and a job creation commitment. The use of this program is City-wide.

- *Business Equity Loan Program* – Established in 1991. The goal of the program is to stimulate small business investments and to create and retain jobs. The program provides gap financing to small businesses located in the corridors and to businesses in targeted sectors located within the city limits. The maximum City loan for businesses in the corridors is 40% of total project costs up to $100,000 or $150,000 for manufacturing. A private bank leverage of 1:1 is required.

- *Brownfield Program* – Established in 1997. The program assists with the redevelopment of underutilized Brownfield sites with real or perceived contamination. The program provides 50% reimbursement up to $20,000 for assessment activities that will lead to site redevelopment. Funds may be used for cleanup activities when used in conjunction with EPA funding.

- *Façade Improvement Grant Program* – Established in 1998. The goal of the program is to remove blight and improve the appearance of commercial buildings and sites in the corridors. The program provides 50% reimbursement to property owners & business tenants for eligible architectural renovations and targeted site improvements that bring signs, parking and landscaping into conformance with current codes.

- *Business Investment Program (BIP)* – Established in 2001. The program seeks to encourage creation, retention and/or expansion of new or existing businesses and job in identified investments zones including the corridors. The program provides grants to companies based upon the amount of property tax generated by the new business investment being made.

THE CITY'S REDEVELOPMENT TOOLBOX

- *Security Grant Program* – Established in 2001. The goal of the program is to reduce opportunities for crime while creating safer environments for businesses and customers. Through a partnership with CMPD, the program provides 50% reimbursement to property owners & business tenants for eligible security improvements.

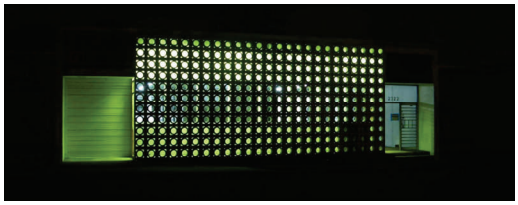
- *Business District Organization Program (BDOP)* – Established in 2002. The program supports the work of business groups operating in the corridors by providing 66.6% reimbursement for eligible operating expenses. The annual award amount is $30,000 per year.

- *Synthetic Tax Increment Financing (STIF)* – Established in 2004. STIF is a public/private partnership tool used by the City to advance economic development and land use planning goals. Incremental property taxes (45% or 90%) are reimbursed to the developer after they are paid each year. The grants are made for infrastructure investment, public asset purchase, and gap financing for projects in targeted geographies.

- *Business Corridor Fund* – Established in 2006. The program supports developer-initiated infill development and redevelopment projects that create housing and retail opportunities, create and retain jobs, and provide amenities to the community. The program is targeted to the five priority corridors.

- *Big Box Demolition Program* – Established in 2008. The program seeks to remove blight in the corridors while creating redevelopment opportunities by removing long-term vacant buildings greater than 25,000 square feet. The program provides 50% reimbursement up to $45,000 to property owners for the demolition of eligible buildings and targeted site improvements that bring the site into conformance with current codes.

- *Energy Retrofit Grant Program* – Established in 2010. The goal of the program is to lower energy consumption in existing commercial buildings and apartments. The program pays a percentage of the costs for energy-efficient retrofits such as lighting, insulation, solar panels and building envelope improvements. Program funded by the US Department of Energy; funds are allocated to projects now underway.



BUSINESS CORRIDOR REVITALIZATION AREA INVESTMENTS (2007—2011)

(See Appendix I for a detailed list)

TABLE 1

Program	Number of Projects	City Investment	Leveraged Investment
Synthetic Tax Increment Financing	3	$6.66M	$399M
Façade Improvement Grant	22	$570,998	$5,216,679
Security Grant	25	$120,078	$241,277
Brownfield Grant	7	$106,708	$531,381
Big Box Demolition Grant	5	$215,000	$380,215
Energy Retrofit Grant	12	$883,001	$7,418,228
Business Corridor Fund	2	$4,451,000	$37,051,000
Business District Organization Grants	2	$114,495	$75,580.39
Business Equity Loan & Economic Development Revolving Loan Fund	8	$291,750	$1,389,750

Other City Capital Investments (not funded by Business Corridor Capital Funds)

Program	Number of Projects	City Investment
Infrastructure Projects (roads, sidewalk, streetscape)	19	$45.7M
New City Facilities • Fire headquarters/911 call center • Light vehicle maintenance facility • CMPD Metro Division office	3	$30.2M

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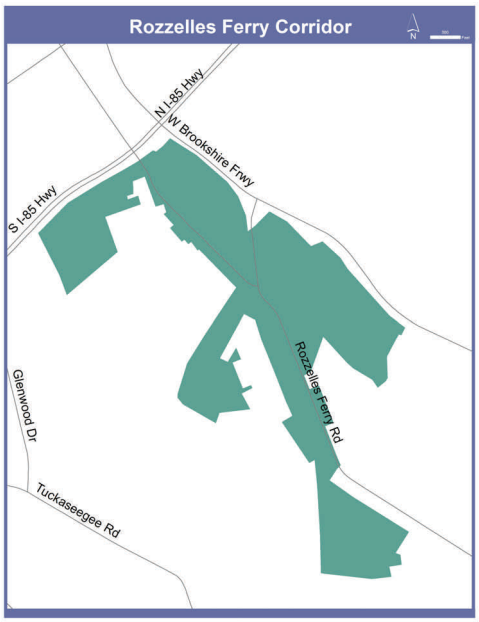
NEIGHBORHOOD & BUSINESS SERVICES

THE PRIORITY BUSINESS CORRIDORS

A Closer Look at Rozzelles Ferry Road

Located in historic West Charlotte, the Rozzelles Ferry Road Corridor is predominantly composed of older industrial and distribution facilities. Single tenant buildings exist along both sides of the road and multi-tenant space is available within the Chemway Industrial Park. In addition, the CSX Intermodal is expanding at Hoskins Road and Rozzelles Ferry. Retail opportunities for residents are found near the intersection of Highway 16; however, much of the corridor lacks services and amenities desired by the neighborhoods.



Project	Program	Investment	Leverage
KarenShaw Building	Demolition	$45,000	$125,000
Dest Dental	Energy Retrofit	$63,015	$1.6M
Greenway Business Ctr	Business Corridor Fund	$1.45M	$6.0M
Advance Warehouse	EDRLF Loan Fund	$80,000	$20,000
Roads/Streetscape	Infrastructure	$2,785,000	n/a
N-Style Towing	Security	$2,500	$3,470.34

Program Highlight: *Energy Retrofit* @ Greenway Business Center/Dest Dental

The Belvedere Theater, a historic building located in this corridor, was renovated by the Charlotte Mecklenburg Development Corporation. Dest Dental leased and retrofitted the building and made energy efficient upgrades with the help of a Commercial Building Energy Retrofit grant from the City. The $63,000 energy retrofit grant enabled the practice to install an energy efficient roof, doors, windows, and HVAC system. Total private investment in this project was nearly $1.6M.

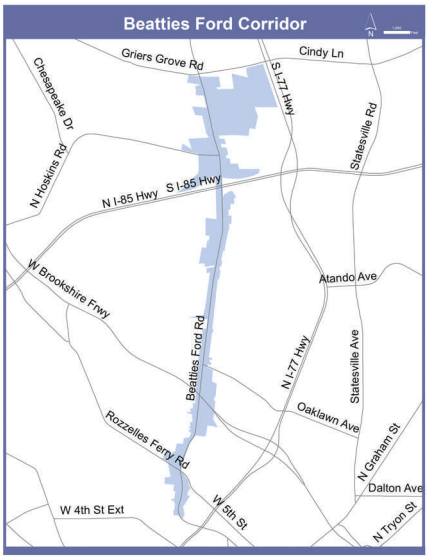
Opportunities & Issues for 2012 - 2015

- Sale and development of 15 building sites within Greenway Business Center and the Rozzelles Ferry area.
- Completion of the Stewart Creek Greenway as an amenity for neighborhood and commercial redevelopment
- Vacant buildings near Greenway Business Center offer redevelopment opportunities.

THE PRIORITY BUSINESS CORRIDORS

A Closer Look at Beatties Ford Road

The Beatties Ford Road corridor is built out with a variety of land uses including houses of worship, single tenant office, multi-family and retail. University Park Shopping Center anchored by Food Lion is the largest retail destination in the area. The quality of other retail space in the corridor does not match that of University Park. Traditional retail and service retail are the most appropriate commercial land uses in the Beatties Ford Road Corridor. In addition, Johnson C. Smith University is currently implementing its master plan to develop student housing and parking as part of the Mosaic Village project on West Trade Street and Beatties Ford Road. This provides a strong catalyst for additional commercial development in the corridor.



Project	Program	Investment	Leverage
Mosaic Village	Business Corridor Fund	$3,182,994	$29.1M
Welch Hydraulics	EDRLF Loan Fund	$25,000	$10,000
Beatties Ford Rd Shopping Ctr	Façade	$46,000	$130,835
Stewart Crossing	Security	$10,663	$20,976
Road Improvements	Infrastructure	$3,650,000	n/a
CMPD Metro Division office	Public Facility	$4,600,000	n/a

Program Highlight: *Business Corridor Fund @ Mosaic Village*
The City approved $3.1M for a private developer to build 223 public parking spaces within a 403 space parking deck and related infrastructure to support new retail, office, 80 units of student housing and an arts learning center. The City's investment will energize redevelopment of the Beatties Ford Corridor as JCSU implements their master plan, including a new bookstore and cafe.

Opportunities & Issues for 2012-2015

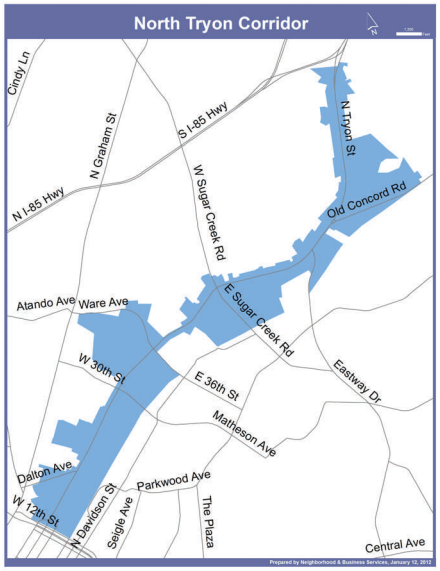
- JCSU continues to invest in the corridor with multiple projects in the planning stage.
- Project LIFT will combine $55 million in privately raised funds with Charlotte-Mecklenburg Schools innovations to enhance educational opportunities and strengthen neighborhoods along the Corridor.

CHARLOTTE
NEIGHBORHOOD & BUSINESS SERVICES

THE PRIORITY BUSINESS CORRIDORS

A Closer Look at North Tryon Street

The North Tryon Street corridor includes warehouse/industrial, retail strip, other business uses, as well as institutional uses and residential areas. Opportunities for the corridor include proximity to Center City, future light rail transit service, industrial market, retail opportunities, and single family residential reinvestment. Constraints needing attention are the unattractive streetscape, traffic congestion, used car lots, few retail services, and activities surrounding the Uptown Shelter. The opportunity is at hand to build on the area's locational strengths and market opportunities to improve its physical condition, functional utility, economic viability, appearance, and livability.



Project	Program	Investment	Leverage
Ted Greve Associates	Security	$6,000	$23,225
Devita Investments	Security	$5,519	$5,519
MV Tryon II LLC	Brownfield	$20,000	$20,000
DEW Electric	Equity Loan	$40,000	$240,000
North End Partners	BDOP	$66,090	$38,332
North Tryon Street Vegetation & Debris Removal	Security	$21,000	n/a

Program Highlight: *Business District Organization Program (NorthEnd Partners)*
For the past two years, NorthEnd Partners, the merchant association representing the North Tryon Corridor has used funds from the BDOP to host the Rock 'N Run 5K. In partnership with the N.C. Music Factory and other corporate sponsors, over 2,000 attendees participate in this annual event that highlights the business district and surrounding neighborhoods. With the City's help, NorthEnd Partners has successfully raised awareness of the neighborhoods and the business corridor, and the grants have helped galvanize the volunteer run organization and created momentum for future initiatives.

Opportunities & Issues for 2012-2015

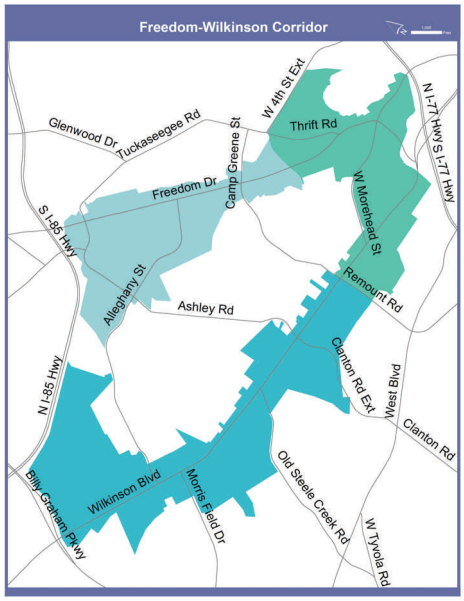
- North Tryon Streetscape planning has been completed and construction bids are in process.
- Opportunity for collaboration between the Charlotte Mecklenburg Housing Partnership and Vision Ventures to redevelop Delahay Courts, Tryon Hills, and the Hutchinson Shopping Center.

CHARLOTTE
NEIGHBORHOOD & BUSINESS SERVICES

THE PRIORITY BUSINESS CORRIDORS

A Closer Look at Freedom/Wilkinson/Morehead

The Freedom/Wilkinson/Morehead corridor is a major transportation route from Center City to the Charlotte/Douglas International Airport. Over the last ten years, public investments, including the Wilkinson Business Center, a new fire station, and streetscape improvement project resulted in new commercial and retail interest, including a new Wal-mart. More recently, Wesley Village, a $33 million residential project was completed, adding 301 apartment homes to the area, as well as completing the Stewart Creek Parkway connector. The Charlotte School of Law opened in 2008, as part of the Bryant Park development project, for which the City has committed $2.2 million in public infrastructure reimbursement.



Project	Program	Investment	Leverage
Marsh Realty	Façade	$74,680	$76,047
FreeMoreWest	BDOP	$48,405	$37,248
Pinky's	Façade	$10,000	$377,250
Pure Body Salon/Spa	Equity Loan	$50,000	$200,000
Williams Investments	Security	$2,500	$2,500
Pure Genius Childcare	Equity Loan/Security	$37,500	$175,000
Fig's Auto	Equity Loan	$29,250	$555,750
Teeter Properties	Demolition	$45,000	$49,080
Style Appeal Salon	Equity Loan	$13,000	$73,000
Westerly Hills Shopping	Security	$11,243	$20,410
Wesley Village Apts.	Tax Increment Grant	$1.36M	$33M

Program Highlight: *Façade Improvement Grant Program*

Triple G Automotive on West Morehead and Freedom Drive was vacant for several years before John Nichols and Greg Auten approached the City for assistance. Their idea was to convert the space into a restaurant while keeping the history of the building and landmark rooftop VW Beetle intact. Completing this project took nearly two-and-a-half years due to the challenges with parking and traffic flow as well as the need to have the property rezoned. With strong support from City staff, the project was successfully completed and today serves as a destination point bringing much needed vitality to the area.

Opportunities & Issues for 2012 - 2015

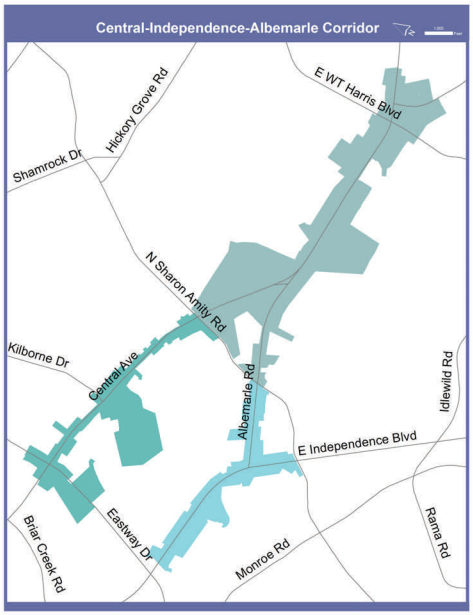
- Strong business association.
- Completion of Bryant Park project, and a potential redevelopment of underutilized industrial land at Mulberry Church Road.

CHARLOTTE
NEIGHBORHOOD & BUSINESS SERVICES

THE PRIORITY BUSINESS CORRIDORS

A Closer Look at Eastland Area

The Eastland Area is a diverse area of old and new neighborhoods with a wide range of housing types and prices and numerous shopping areas that cater to both local and regional markets. Its population is notably diverse, as the area is truly one of the most racially and culturally integrated sectors of the City. Over the past decade , the Eastland area has been characterized by an oversupply of aging apartments complexes, the proliferation of commercial strip development, an aging and now vacant regional shopping mall, limited employment opportunities, an auto-oriented environment, and a negative community appearance. The future reuse of the vacant Eastland Mall site will be a catalytic event for the Corridor.



Project	Program	Investment	Leverage
Darby Acres Shopping Ctr	Security	$7,500	$7,500
Uptons Big Box	Demolition	$35,000	$65,000
Four Seasons Shopping Ctr	Façade	$175,000	$175,000
Eastland Fire Station	Public Facility	$7M	n/a
Eastland Transit Center	Public Facility	$2.7M	
Streetscape	Infrastructure	$4.1M	n/a
Internal Auto Care, Inc.	Equity Loan	$17,000	$86,000

Program Highlight: *Infrastructure on Central Avenue*
With the addition of a new fire station and community transit center, the Charlotte Mecklenburg Planning Commission continued its commitment to the Eastside Strategy Plan by funding a streetscape project on Central Avenue between Sharon Amity and Albemarle Road. The project included narrowing Central Avenue to match completed streetscape improvements made in other sections of the street. It also added landscaped medians, bicycle lanes, widened sidewalks, and improved pedestrian lighting. The total City investment in this project was $4.1M.

Opportunities & Issues for 2012 - 2015

- Redevelopment of the Eastland Mall site into a catalyst to build home values and community pride.
- Independence Boulevard Walmart becoming the retail corridor and future of vacant Eastway Walmart.

KEY ACTIVITIES

This chart broadly illustrates how the four key objectives in the 2007 Business Corridor Strategy were addressed.

Key Activities in Support of Goals

Eliminate Blight
• In 2007, the Business Corridor Revitalization area was expanded.
• In 2008, the Façade & Security Grant programs revised to increase award amounts.
• In 2008, the Big Box demolition program was developed to remove blight and create infill development opportunities.
• In 2010, the City approved a Non Residential Building Code approved to address visual blight and structurally impaired buildings.
	Create Strong Local Economies
	• In 2010, the Business District Organization Program (BDOP) award amount increased from $10,000 to $30,000.
	• From 2007—2009, the City reallocated resources to business corridor work, including:
	  • Business Recruitment
	  • Transit Oriented Development
	  • Business problem solving
	  • Small business lending
	• In 2011, CharlotteBusinessResources.com launched as comprehensive community source of business information.

Align City Policies & Programs • NBS service area boundaries were aligned with CMPD districts to create synergy. • Collaborated with NCDOT to develop public art projects as a "gateway" to Historic West End and JCSU. • Participated in intersection improvements on Albemarle Road at Sharon Amity in partnership with NCDOT.	**Promote Environmentally Sustainable Development** • The Commercial Building Energy Retrofit Program and Apartment Building Energy Retrofit Program were implemented through utilization of American Recovery and Reinvestment Act (ARRA) funds

LESSONS LEARNED & RECOMMENDATIONS

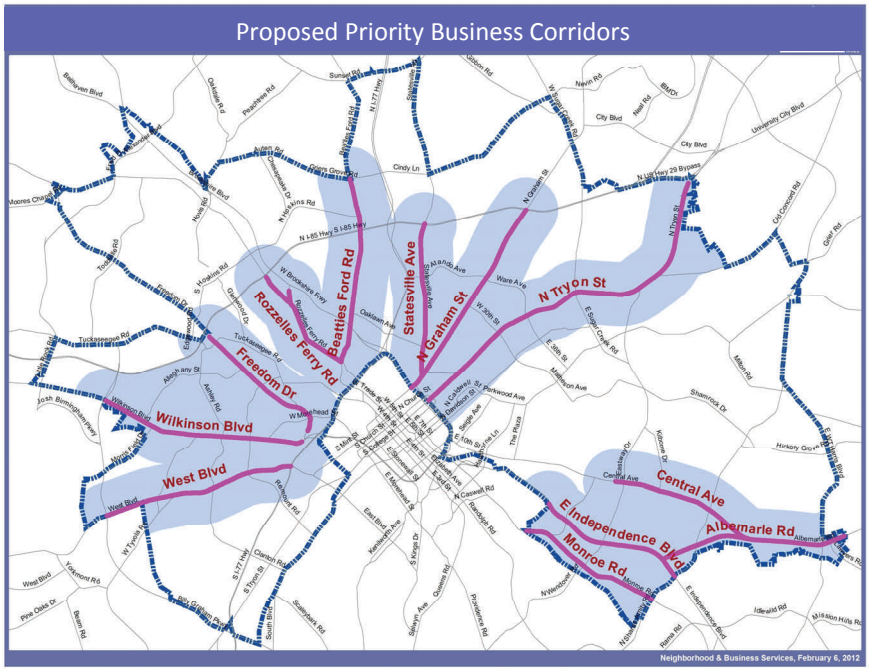
1. **Eligibility for Business Corridor Capital Funds is too narrowly defined.**

As mentioned in the introduction, Business Corridor Capital Funding is earmarked for the five priority corridors. Since 2007, two significant projects were approved as priority corridor investments, Greenway Business Park ($1,450,000) and Mosaic Village ($3,183,000). However, new market opportunities have emerged outside of the priority corridor areas such as the Oakhurst project on Monroe Road and Hutchison Shopping Center on North Graham Street, which are secondary corridors that represent significant redevelopment opportunities.

Recommendation: Expand utilization of Business Corridor Capital Funds to all commercial corridors within the BCRA. This will allow staff to simplify program marketing and take advantage of market opportunities as they develop. While maintaining a focus on the five priority corridors, the following business corridors would become eligible for funding:

- West Boulevard from I-77 to Billy Graham Parkway
- Independence Boulevard from Chantilly Lane to Albemarle Road
- Monroe Road from Chantilly Lane to Albemarle Road
- Statesville Avenue from I-277 to I-85
- Graham Street from I-277 to I-85

Corridors would be defined as 1/4 mile on each side of the main commercial thoroughfare.



2. Matching grant programs are useful, but grant limits and eligibility criteria need updating.

The Façade and Security matching grant programs are popular with building owners and small businesses, and have the potential to have long term impact in helping a business corridor redevelop. However, the cost for financing improvements is often cost prohibitive for centers that are experiencing below market lease rates due to their location in one of the City's business Corridors. The Big Box Demolition Grant Program has been helpful in removing blighted structures; however, most applicants have been well funded experienced developers pursuing funds after receiving a demolition order from the City.

Recommendation: Update the Matching Grant Programs to increase effectiveness and use by:

- Increasing the available maximum amounts of both grant programs
- Expanding eligibility parameters to provide increased opportunities for blight removal and site conformance
- Adding architectural assistance as an allowable expense should be incorporated into the Façade grant
- Encouraging the use of certified Small Business Enterprises (SBEs) by allowing a higher grant amount for use of SBEs
- Updating the Big Box Demolition Grant by adding a "but for" test for eligibility to discourage use by developers or property owners with means

See details of the proposed revisions in Appendix 3 & 4

3. **Compared to other cities, Charlotte has an underutilized redevelopment partner and an underdeveloped network of business/merchant association.**

We have identified a service gap in the City's partnership network of critical support organizations that have the capacity to assist the City in implementing redevelopment programs. An effective redevelopment partner, such as the Charlotte Mecklenburg Development Corporation along with a strong community business association in each corridor would combine public sector policy with private sector leadership, leading to more effective redevelopment.

Recommendation: Restructure the City's relationship with the Charlotte Mecklenburg Development Corporation (CMDC) by evaluating a financial partner agreement. Staff proposes considering a formal financial partnership arrangement with CMDC, which includes providing operating funds and developing expectations around roles and outcomes for maximizing the redevelopment potential in the business corridors.

Recommendation: Develop new strategies and programs to encourage the development and productivity of volunteer-led merchant associations throughout the business corridors. Staff recommends placing a premium on having an effective business association in each corridor by implementing a program of competitive grants (using our funds for matching grant programs) for innovative and/or catalytic projects and activities that encourage business development, association formation, image building initiatives and buy local campaigns.

4. **Recruiting businesses and investment to the corridors has been hampered by a weak economy and a lack of tools and information to attract retailers and other businesses into an unfamiliar market.**

Recommendation: Commission a retail market assessment as needed for the business corridors to understand the nuances of a particular market area in an effort to attract the right retail mix to a particular commercial area.

Recommendation: Conduct parking demand analyses as needed for business corridors to understand the appropriate role for the City in creating public parking to assist retailers and small businesses.

Appendix I: Detail for Business Corridor Geography Investments/Leverage

Tax Increment Financing Grants

Double Oaks (Statesville Avenue)
Total City Investment: $3.6M
Leveraged Investment: $120M

Seaboard Street (Hamilton & Seaboard Streets)
Total City Investment: $1.7M
Leveraged Investment: $246M

Wesley Village (Wilkinson Blvd./Bryant Park)
Total City Investment: $1.36M
Leveraged Investment: $33M

Grants/Loans Awarded/Leverage (2007-2011)

Business Corridor:
Greenway Business Center $1,450,000/$6,000,000
Mosaic Village-$3,001,000/$29,100,000

Facade
Crown Cleaners -$46,255/118,819
Crown Clinic, PA- $10,000/$955,000
Deborah's Beauty- $9,000/$12,635
Diamond Restaurant- $14,237/$235,000
Dunavant Development LLC- $20,000/$171,494
GeoSpec Environments- $20,667/$20,667
Global Medical Imaging- $4,160/$10,000
Habitat for Humanity- $40,000/$740,000
Happy Box Architecture- $10,000/$112,320
Hartford Shopping Center- $40,000/58,462
Logo'd Gear- $20,000/ $29,876
Marsh Realty-$74,679/$76,047
McCombs Mini Center- $40,000/$40,000
Pinky's- $10,000/$377,250
Retail Center- $46,000/130,835
Rudolph Moore Properties - $40,000/$1,201,190
Sauceman's Restaurant- $10,000/$294,904
Soul Restaurant -$10,000/$15,000
SPJ Contracting- $40,000/$300,000
Wadsworth House- $10,000/$122,435
Williams Retail- $46,000/$130,835
Zada Jane's Café - $10,000/$64,000

Brownfield
Atlantic Realty Partners- $10,000/$12,000
Carrie Gault- $16,483/$32,967
Charlotte Meck Housing Ptrship- $10,261/$16,450
MV Graham ll LLC- $9,964/$9,964
MV Hercules LLC- $20,000/$20,000
MV Tryon ll- $20,000/$20,000
Mitchell's Formal Wear- $20,000/$420,000

Demolition
Executive Inn- $45,000/47,000
Leffers-$35,000/$65,000
Right Place-$45,000/$125,000
Southside- $45,000/$94,135
Teeter-$45,000/$49,080

HUD Grants
Greenway Business Park- $429,000

Energy Retrofit (commercial & multi-family)
Balfour Beatty Construction, LLC- $39,595/$1,461,083
Brookhill Village II- $200,000/$870,688
Chimneys- $125,687/$210,870
Drakeford- $36,971/$119,627
Electrical Distributors, Inc. - $23,878/$1,750,000
Forms & Supply- $18,225/$72,903
Greenway Business Center- $63,015/$1,600,000
Mechanical Contractors, Inc. - $44,388/$346,705
MV Tryon LLC- $59,080/$130,700
MW Group- $200,000/$417,700
Phat Pheatures- $12,762/$25,900
The Applegate Group, LLC- $59,400/$412,052

Infrastructure (roads, sidewalk, streetscape)
Ashley/Tuckaseegee- $407,000
Brookshire Area Plan- $1,200,000
Cottonwood/Joe- $520,000
Kings Drive- $300,000
Optimist Park- $170,000

Appendix I: Detail for Business Corridor Geography Investments/Leverage (CONTINUED)

Security

Crown Clinic PA- $3,000/$31,000
Crown Cleaners Security-$4,886/$10,073
Cocina Latina- $2,900/$5,800
D. Williams Investments- $2,500/$2,500
Darby Acres Shopping Center- $7500/$7500
Deborah's Beauty- $2,500/$2,500
Devita Investments- $5,519/$5,519
Duckworth Electric Market (2)- $4,372/$10,651
Economy Inn- $1,948/$1.948
Estramonte Chiropractic- $2,374/$2,374
Greenhouse Corners- $6,216/$12,432
Had's Art & Beauty- $2,210/$2,210
Hickory Grove Market- $15,000/$44,803
Hot Deals-$2500/$3100
Intermezzio Pizzeria- $1,997/$4,445
McCombs Mini Center- $ 9,981/$10,000
N-Style Towing-$2,500/$3,470
Niche- $1,271/$2,542
Pure Genius Childcare- $3,000/$3,000
Rudolph Moore Properties- $10,000/$10,800
Stewart Creek Crossing- $5,322/$10,295
Stewart Creek Crossing-$5,340/10,681
Ted Greve- $6,000/$23,225
Westerly Hills Center- $8,786/$17,953
Westerly Hills Center- $2,456.47/$2,456

Infrastructure (roads, sidewalk, streetscape)

Clanton Road- $2,000,000
Coulwood/Gum Branch/Kentberry- $5,000,000
Crisman Street- $450,000
East Ford Rd. - $650,000
Elizabeth/Monroe- $14,500,000
Freedom Drive- $2,300,000
Graham Street- $740,000
Grier Road- $690,000
Oakdale- $8,400,000
S. Tryon- $950,000
Toddville Road-$2,500,000
Tuckaseegee- $410,000
WT Harris- $4,000,000
West Boulevard- $570,000

City Facilities (not BCF)

Fire administration headquarters/911 call center- $16M
Light vehicle maintenance facility- $9.6M
CMPD Metro Division office - $4.6M
Eastland Transit Center—$2.77M

ED Loans

Advance Warehouse - $80,000/$20,000
DEW Electric - $40,000/$260,000
Fig's Automotive - $29,250/$555,750
International Auto Care Inc.-$17,000/$86,000
Pure Body Salon & Spa - $50,000/$210,000
Pure Genius- Child Care - $37,500/$175,000
Style Appeal Salon - $13,000/$73,000
Welch Hydraulics - $25,000/$10,000

BDOP Grants

FreeMore West- $48,405/$37,248
Northend- $66,089/$38,332

APPENDIX II

Appendix II: Façade Improvement Grant Program – Proposed changes FY 2012 - 2014

Category	Existing	Proposed Change
Objective	Remove blight by improving building appearance and bringing signs, parking and landscaping into, or closer to, conformance with current codes	No Change
Geographic Focus	Targeted distressed business districts as approved by City Council	No Change
Prohibited Businesses	Apartment Buildings (8 or more separate units)	Allow eligibility with CMPD and Code Enforcement review
	Tattoo parlors / body piercing	
	Pawn shops	
	Check cashing	
	Bars/nightclubs	
	Non-profit entities	
	National & regional chains & corporations	Allow eligibility of National & regional chains & corporations *headquartered in Charlotte MSA*
	Tenant(s) must be open for business	Vacant buildings eligible for reimbursement at project completion. Clawback will be enforced if tenanted with a prohibited business within 12 months of grant award.
Maximum Award	50% match	60% match if a certified SBE is selected to complete the project (50% match if applicant selects a non-SBE contractor)
	Up to 3,000 sf	$10,000 => $20,000
	3,001 – 6,000 sf	$15,000 => $30,000
	6,000 sf +	$20,000 = > $40,000
	Shopping centers < 30K sf + 3 tenants	$45,000 => $90,000
	Shopping centers > 30K sf + 4 tenants	$65,000 => $130,000
	Big Box Demo	Applicant must demonstrate a "but for" need for city assistance
	Architectural Expenses	$2,500 => $3,000 50% if using own architect; 100% if using City contracted architect
Re-application	Buildings are eligible to re-apply after 10 years	No change
Eligible Expenses	50% architectural fees up to $2,500 in addition to maximum award	$2,500 => $3,000, 50% if using own architect; 100% if using City contracted architect

APPENDIX III

Appendix III: Security Grant Program – Proposed changes FY 2012 - 2014

Category	Existing	Proposed Change
Objective	Reduce opportunity for crime and create a safer environment for business owners, employees & customers	Reduce opportunity for crime and create a safer environment for business owners, employees & customers *while seeking to develop relationships between business owners and CMPD community officers*
Geography	Targeted areas as approved by Council	No change
Eligibility	Property must be zoned for its intended use. No non-conforming uses	No change
	No residential uses	Allow commercial residential buildings with eight or more units
Prohibited Businesses	Apartment Buildings	Allow eligibility with CMPD and Code Enforcement review
	Tattoo parlors / body piercing	
	Pawn shops	
	Check cashing	
	Public Storage facilities	
	Bars/nightclubs	
	Non-profit entities	Tax-paying entities or non-profits operating in space where property taxes are being paid
	National & regional chains & corporations	Allow eligibility of national & regional chains & corporations *headquartered in Charlotte MSA*
	Tenant(s) must be open for business	Vacant buildings eligible for reimbursement at project completion. 12 month clawback will be enforced if tenanted with a prohibited business
	New construction	Allow eligibility six months after CO is issued

APPENDIX III

Appendix III: Security Grant Program – Proposed changes FY 2012 - 2014 (CONTINUED)

Category	Existing	Proposed Change
Program Limits/ Awards	50% match	60% match if a certified SBE is selected to complete the project (50% match if applicant selects a non-SBE contractor)
	All non-center buildings	$5,000
	Shopping centers (3 or more tenants)	$20,000; all shopping center tenants to be eligible for up to $2000.00 to address internal security needs (e.g. cameras, alarm systems, roll gates, etc.); shopping center owners to be eligible for global security concerns (e.g. lighting, fencing, etc.)
Re-application	Buildings eligible to re-apply after 10-years	Buildings eligible to apply after 5-years
Eligible Expenses	CMPD Recommendations including but not limited to cameras, alarm systems, doors, locks and locking mechanisms, fencing, gates, glass, ironwork, security lighting, windows, ironwork, landscaping	No change
Ineligible Expenses	Chain link fence, razor wire, barbed wire visible from public r.o.w, adjacent to residential property, or visible from public parking	No change

Appendix IV: Funding for Business Corridor Programs

Business Corridor Capital Account								
	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Total	Funds Available
Council Appropriation	8,900,000	0	6,100,000	2,000,000	2,000,000	2,000,000	21,000,000	**21,000,000**
Greenway Business Park		950,000			250,000		1,200,000	
Eastland Mall		75,000	372,596				447,596	
Demolition 2403 Wilkinson Blvd					238,168		238,168	
Small Business Web Portal					122,275	4,000	126,275	
North Church Street Project						75,000	75,000	
Albemarle Rd Improvement Project						75,000	75,000	
Other			10,729		5,281	225	16,235	
Total Expense	0.00	1,025,000	383,325	0.00	615,724	154,225		**2,178,274**
Encumbrances:			Greenway Business Park				250,000	
			Mosaic Village Project				3,182,994	
			Legal Services				100,000	
			Brownfield Project				40,000	
			Small Business Web Portal				6,000	
								3,578,994
Available Balance:								**15,242,732**
Matching Grants and Loan Fund								
Available Balance								**1,968,209.46**
ED Revolving Loan Fund (CDBG)								
Available Balance								**$2,638,650**

Appendix V: Stakeholder Outreach

Business Advisory Committee

Business Corridor Breakfast Members (Community & Business Leadership)

Charlotte-Mecklenburg Development Corporation

Charlotte-Mecklenburg Police

Greater Charlotte Apartment Association

MECA Properties

Southern Real Estate Corporation

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NEIGHBORHOOD & BUSINESS SERVICES

SBE Mobilization Loan
Proposed Pilot Program for FY12-13

Purpose

To assist owners of certified Small Business Enterprises (SBEs) acquire short term, low rate financing to support their temporary working capital needs as they participate in City projects, increasing City utilization of certified SBE's in City contracting.

Primary Goals

- To provide, increase, and strengthen SBE firms' access to capital;
- To build capacity with certified SBEs to increase their chances of competing successfully for City contracts; and,
- To create and/or retain jobs for low-and moderate income Charlotte-Mecklenburg residents.

Source of Funds

- Economic Development Revolving Loan Fund, CDBG (current balance of $2.6 million) [1].
- ED Matching Grants and Loan Fund (current balance of $1.9 million).

Eligible Businesses

- City SBEs certified for a minimum of (2) two consecutive years.
- For profit businesses engaged in subcontracting on eligible municipal contracts[2] and demonstrating a need for working capital for account receivables, acquisition of inventory, and/or materials.

Program Description and Requirements

- The minimum loan amount will be $15,000 and the maximum loan amount will be $75,000, and the advance rate on eligible contracts will not exceed 85% of contract (receivable) amount.
- Maximum term is the term of contract or six months, whichever is less.
- All loans will be secured with the first lien position. The City may require other security as circumstances indicate.
- Interest rates will be fixed for the term of the loan, and will be tied to the Prime Rate + 1% (as published by the *Wall Street Journal*) at the time of loan closing, currently, 4.25%, variable.
- Interest-only payments are due monthly on the outstanding principal balance.
- Principal repayment of the City's loan is deferred until payment has been received from the prime contractor.
- Payments from a prime contractor for all work associated with the City's loan agreement are required to be made jointly payable to the City and to the SBE.

Application Process

- Applicant applies for the business loan directly to the City of Charlotte.
- Applicant will be required to provide:
    - A letter of recommendation from a City of Charlotte Key Business Unit (KBU); or
    - Two letters of recommendation from prime contractors.
- A $150.00 application fee must be submitted with the loan application. Additionally, a non-refundable 1% commitment fee is due upon loan approval. The application fee will be deducted from the commitment upon loan approval. The commitment fee can be deducted from the loan proceeds.
- Applicants will undergo credit and background checks. Personal guarantees from all principals will be required.
- Applicants must be current on all federal, state and local taxes, and in compliance with all City of Charlotte, Mecklenburg County and/or State business/industry license requirements.
- Standard commercial underwriting and loan documentation requirements will apply.

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(1) CDBG funds will be used primarily for SBEs that qualify as a "microenterprise". A microenterprise, as defined by US Department of Housing & Urban Development (HUD), is a commercial enterprise that employs five or fewer full-time workers, including the business owner. CDBG funds may be used for businesses that employ more than five employees, however, evidence of new job creation is required for loans over $35,000.

(2) An eligible municipal contract is defined as an active and/or forthcoming contract with a City of Charlotte or Mecklenburg County agency;

Good Faith Efforts Summary

In 2002 the North Carolina General Assembly ratified a bill to the Charlotte City Charter that authorized the City to establish a Small Business Opportunity (SBO) Program. The bill allowed the City to establish bid and proposal specifications that include goals and good faith effort requirements to enhance participation by small businesses in City contracts.

Good Faith Efforts (GFEs) are a legally required component of most goal-based contracting programs. Depending where the funding for a project comes from, a project may be governed either by the City's SBO Program, or by a State or Federal agency program, each of which have differing versions of GFE requirements.

On a City-funded contract in which an SBE goal is established, a bidder must either meet (or exceed) the SBE goal, or earn the required number of GFE points. In order to be deemed SBO compliant, the bidder must demonstrate that they negotiated in good faith with City certified Small Business Enterprises (SBEs).

For example, if the SBE Goal on a project is established at 10%, and the low bidder submits 3% SBE commitments at the time of bid, in order to be deemed responsive in their bid, the low bidder would be required to submit GFE documentation.

For City of Charlotte contracts, there are a standard 350 available GFE points and the minimum points required to be earned to be deemed SBO compliant is set at 165.

There are 20 separate GFE categories that bidders can choose to perform, with points ranging from 10 to 25 points per GFE. To receive credit for each GFE performed bidders must provide documentation that the GFE action was performed within the timeframe stipulated in the SBO policy. Examples of GFE categories include (please see attached SBO FORM 5 for complete list of all GFE categories):

- Sending subcontracting opportunity solicitations to SBEs
- Making project plans available to SBEs
- Conducting a pre-bid for SBEs
- Providing financial, insurance, or bonding assistance to SBEs
- Providing training or mentoring assistance to SBEs
- Utilizing SBEs on non-City projects

When a bidder does not meet the SBE goal established on a project they are required to submit sufficient documentation to prove the GFE points they have claimed. The timeframe to submit this information is typically three days after requested by the City. If the documentation demonstrates the bidder achieved at least the minimum number of required GFE points, then the bidder is deemed SBO compliant and is recommended for award of the contract. If the documentation is deemed insufficient, the recommendation is to reject the bid due to SBO non-compliance.

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Small Business Opportunity Program

SBOP Form 1

Notification of Subcontracting Opportunities

§Per Part B, Section 5.3.1 of the SBO Policy (v.2009)[1], *to receive credit for this Good Faith Effort, a Bidder must provide to the City no later than 14 Days before Bid Opening a list of the areas in which the Bidder intends to seek subcontractors and suppliers.*

Bidder Name:			
Project Name:			
Project Number:		Bid Opening:	

Identify the portions of the contract for which you estimate or anticipate there being subcontractor, supplier, or service provider opportunities.

NIGP Commodity Code	Description of Subcontracting / Supplier Opportunity

Submit this form to: **KBU Contact Name Here**

E-mail: **XXXXX@ci.charlotte.nc.us**

Fax Number: **704-xxx-xxxx**

Phone Number: **704-xxx-xxxx**

Completed By: _____ Date: _____

[1] SBO Policy v.2009 amended August 2009

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Small Business Opportunity Program

SBOP Form 2

SBE Solicitation Form

Copy this side of Form 2 as needed, to document SBE contacts.

§Per Part B, Section 5.3.2 of the SBO Policy (v.2009)[1], *to receive credit for this Good Faith Effort, a Bidder must make the required contacts no less than seven (7) Days before Bid Opening adhering to the Solicitation Method and Solicitation Content defined.*

A Bidder must submit SBOP Form 2 within the time specified in the City Solicitation Documents. If no time period is specified in the City Solicitation Documents, a Bidder must submit Form 2 within three (3) Business Days after the City requests it.
ALL supporting documentation, reflecting the Solicitation methods and content, must be submitted at the same time as SBOP Form 2.

Bidder Name:		Bid Opening:	
Project Name:			
Project Number:		MINIMUM SBE Contacts:	

SBE Firm:			Contact Person:			
Scope of Work:			NIGP Commodity Code:			
Initial Contact: [2]	*Date*:	*Method*:	☐ Email	☐ Fax	☐ Mail	☐ Courier
Follow-up: [3]	*Date*:	*Method*:	☐ Phone	☐ In person	Contact Person:_____	
Response:	☐ No response	☐ Not bidding	☐ Is bidding $_____	☐ Other (*explain*)		
Selected?	☐ YES	☐ NO				
SBE Firm:			Contact Person:			
Scope of Work:			NIGP Commodity Code:			
Initial Contact: [2]	*Date*:	*Method*:	☐ Email	☐ Fax	☐ Mail	☐ Courier
Follow-up: [3]	*Date*:	*Method*:	☐ Phone	☐ In person	Contact Person:_____	
Response:	☐ No response	☐ Not bidding	☐ Is bidding $_____	☐ Other (*explain*)		
Selected?	☐ YES	☐ NO				
SBE Firm:			Contact Person:			
Scope of Work:			NIGP Commodity Code:			
Initial Contact: [2]	*Date*:	*Method*:	☐ Email	☐ Fax	☐ Mail	☐ Courier
Follow-up: [3]	*Date*:	*Method*:	☐ Phone	☐ In person	Contact Person:_____	
Response:	☐ No response	☐ Not bidding	☐ Is bidding $_____	☐ Other (*explain*)		
Selected?	☐ YES	☐ NO				
SBE Firm:			Contact Person:			
Scope of Work:			NIGP Commodity Code:			
Initial Contact: [2]	*Date*:	*Method*:	☐ Email	☐ Fax	☐ Mail	☐ Courier
Follow-up: [3]	*Date*:	*Method*:	☐ Phone	☐ In person	Contact Person:_____	
Response:	☐ No response	☐ Not bidding	☐ Is bidding $_____	☐ Other (*explain*)		
Selected?	☐ YES	☐ NO				
SBE Firm:			Contact Person:			
Scope of Work:			NIGP Commodity Code:			
Initial Contact: [2]	*Date*:	*Method*:	☐ Email	☐ Fax	☐ Mail	☐ Courier
Follow-up: [3]	*Date*:	*Method*:	☐ Phone	☐ In person	Contact Person:_____	
Response:	☐ No response	☐ Not bidding	☐ Is bidding $_____	☐ Other (*explain*)		
Selected?	☐ YES	☐ NO				

[1] SBO Policy v.2009 amended August 2009
[2] Telephone and In-Person contacts are not acceptable methods of communication for Initial SBE Contacts.
[3] Follow-up contacts are to be conducted by Phone or In-Person.

As part of a Bidder's Good Faith Efforts (GFE) documentation, this Form 2 allows Bidders to record SBE firms contacted, negotiated, and/or contracted with. Per Part B, Section 4.3 of the SBO Policy (v.2009):

> ***Good Faith Negotiation*** *All Bidders that fail to meet the SBE Goal (including Bidders that desire to self-perform) must negotiate in good faith with each SBE that responds to the Bidder's solicitations and each SBE that contacts the Bidder on its own accord. ("Interested SBEs")*

Interested SBEs listed on Form 2 whom the Bidder does not ultimately contract with, may need to be documented on an accompanying Good Faith Negotiation Form (SBOP Form B), providing the rationale as defined in Part B, Section 4.4 of the SBO Policy (v.2009). The documentation of Form B should occur in the following manner:

- One (1) Form B will need to be completed for each subcontracting opportunity in which SBE(s) submitted bids for, and for which an SBE was not chosen to perform that work.
- *Bidders must provide such forms and information within the time period specified by the City.*
- *Failure to comply with these requirements shall constitute grounds for rejecting a Bid.*

Follow-Up Contacts: SBE contacts listed on this Form 2, for which the "Follow Up" check-box is marked would also need to comply with Part B: Section 5.3.15 of the SBO Policy (v.2009) in order to qualify for the Good Faith Effort points available for that effort.

The undersigned certifies that the information submitted on this SBOP Form 2 is true and accurate as of the date indicated below. The undersigned further certifies that contacts by U.S. Postal Service, telephone conversations and in person contacts documented on this Form 2 were made in accordance with the requirements of Part B, Section 5.3.2 and 5.3.15 of the SBO Policy and that this shall satisfy as the affidavit confirming such contacts.

_____
Company

_____	_____	_____
Signature of Authorized Official	Title	Submittal Date

CHARLOTTE.

Small Business Opportunity Program

Good Faith Efforts (GFE) and Statement of GFE Compliance

SBOP Form 5

Bidder Name:		Bid Date:	
Project Name:			
Project Number:			

§Per Part B, Section 5 of the SBO Policy(v.2009)[1], if a Bidder has not fully met the SBE Goal, then it must document it has met the GFE requirements by completing this Form. The Bidder must submit Form 5 within three (3) Business Days after the City requests it, unless specified otherwise in the City Solicitation Documents. Below is a list of Good Faith Efforts as defined in Part B: Section 5.3. To the left of each item is the number of points assigned to that item for this project. Please place an "X" in the first column for each item you are claiming credit.

Failure to submit Form 5 in the time specified or failure to achieve the minimum number of Good Faith Efforts points stated in the blank below constitutes grounds for rejection of your bid.

Minimum Number of GFE Points Required: 165

☐	10	Section 5.3.1: Notification of Subcontracting Opportunities. To receive credit for this GFE, a Bidder must provide to the City no later than 14 Days before Bid Opening a list of the areas in which the Bidder intends to seek subcontractors and suppliers. The Bidder may report this information on Form 1 or on another document providing the same information as Form 1.
☐	10	Section 5.3.2: SBE Contacts: A Bidder must make the required contacts not less than 7 Days before Bid Opening to receive credit. Refer to Part B, Section 5.3.2 of the SBO Policy for requirements of the Solicitation Method, Solicitation Content, and Solicitation Documentation. To receive credit for this GFE, a Bidder must submit an SBE Solicitation Form ("Form 2") within the time specified in the City Solicitation Documents. If no time period is specified in the City Solicitation Documents, a Bidder must submit Form 2 within 3 Business Days after the City requests it.
☐	10	Section 5.3.3: Making Plans Available. *(see note) To receive credit for this GFE, the Bidder must: (a) make "Project Documents" (as defined below) available to Interested SBEs no less than 7 Days before Bid Opening in one of the 3 ways described below; and (b) notify all SBEs contacted under GFE 5.3.2 of the way in which Project Documents will be made available. As used herein, Project Documents means any project descriptions, construction plans, specifications or requirements that are necessary for SBEs to bid on the project. The 3 ways a Bidder may make Project Documents available to SBEs are: a) provide Interested SBEs with a hard copy of the Project Documents via email, fax, regular mail or other means of document transfer; b) provide necessary physical access and adequate time for SBEs to fully review the Project Documents at the Bidder's place of business within the Charlotte Regional Area, or, if the Bidder has no place of business within the Charlotte Regional Area, at an alternate location within the Charlotte Regional Area where the information can be reviewed at no cost to the SBEs; or c) post the Project Documents on a website that SBEs can access at no cost. To receive credit for this GFE, the Bidder's notice to SBEs must identify: (a) a telephone number or email address for requesting copies of the Project Documents or, (b) the locations (including the address) where Project Documents can be reviewed or, (c) the website link on which they are posted.
☐	15	Section 5.3.4: Breaking Down Work. *(see note) To receive credit for this GFE, the Bidder must: (a) notify SBEs as part of a Bidder's SBE contacts under Section 5.3.2 that the Bidder is willing to divide or combine elements of work into economically feasible units on a case-by-case basis to facilitate SBE participation and (b) negotiate in good faith with any SBEs that request such divisions or combinations
☐	10	Section 5.3.5: Attendance at Pre-Bid. To receive credit for this GFE, the Bidder must attend any pre-bid meetings scheduled by the City for the Contract in question.
☐	15	Section 5.3.6: Conducting a Pre-Bid for SBEs. *(see note) To receive credit for this GFE, the Bidder must conduct a pre-bid meeting for SBEs no less than 3 Business Days before Bid Opening. The pre-bid meeting must take place within Mecklenburg County, or, if the Proposer has no place of business within Mecklenburg County, at an alternate location within the Charlotte Regional Area. No less than 48 hours before the pre-bid meeting, the Bidder must communicate the time and location of the meeting to the SBEs that the Bidder is required to contact to earn GFE points under Section 5.3.2
☐	15	Section 5.3.7: Training. To obtain credit for this GFE, the Bidder must provide training or mentoring to at least 2 SBEs within 12 months before Bid Opening, and the Bidder must have the training or mentoring certified by the Program Manager. The Program Manager shall have the discretion to deny credit for training or mentoring that in the Program Manager's sole discretion is not significant or not reasonably likely to assist the SBE in developing its capabilities.

[1] SBO Policy v.2009 amended August 2009

☐	25	Section 5.3.8: SBOP Mentor-Protégé Program. The Bidder may receive credit for this GFE if the Bidder demonstrates that it is participating in the City's SBO Mentor-Protégé program, and that it is a mentor in good standing. The Program Manager shall have the discretion to deny credit for this GFE if the mentor is not in good standing.
☐	20	Section 5.3.9: Working with SBE Assistance Organizations. To receive credit for this GFE, the Bidder must document that it has performed one of the following within the 12 month period before Bid Opening for an SBE Assistance Organization (as defined below): (a) Provide location for SBE Assistance Organization Event: Providing a meeting location for the SBE Assistance Organization to host a regular meeting or special event at no cost or at a reduced rate. (b) Provide training for SBE Assistance Organization members: Providing training or facilitating workshops aimed at increasing the capacity or skill level or the SBE Assistance Organization members, or participating in training or a workshop sponsored by the SBE Assistance Organization. (c) Contracting with new SBE: Documenting that the SBE Assistance Organization helped to identify an SBE with whom the Bidder subsequently subcontracted work (whether on a City Construction Contract or other contract). The KBU will not give the Bidder credit for this GFE if the Bidder contracts with an SBE that the Bidder has used on previous projects.
☐	20	Section 5.3.10: Bonding or Insurance Assistance on Construction Contract. To receive credit for this GFE, the Bidder must assist an SBE in obtaining its own bond or insurance coverage for a City contract or another contract by (a) providing direct assistance within the 6 months preceding the Bid Opening, and (b) showing that the SBE did not have access to the bond or insurance coverage before the Bidder's assistance. To document satisfaction of this GFE, the Bidder must submit: (a) the name of the SBE; (b) a description of the assistance the Bidder provided; (c) the date the Bidder provided the assistance; (d) the name of a contact person with the SBE who can verify that the Bidder provided the assistance; and (e) any additional information requested by the City.
☐	20	Section 5.3.11: Entering Into Joint Venture with SBEs. To receive credit for this GFE, the Bidder must document the existence of a Joint Venture agreement between the Bidder and an SBE that increases opportunities for SBE business participation, whether on City Contracts or other contracts. To document satisfaction of this GFE, Bidders must document that they have entered into such an agreement within the 12 months before the Bid Opening, and such documentation must include; (a) the name of the SBE; (b) a description of the Joint Venture; (c) evidence of the date the Bidder and the SBE entered into the agreement; and (d) the name of a contact person with the SBE who can verify the terms of the agreement. If requested by the City, the Bidder must also provide a copy of the Joint Venture agreement.
☐	20	Section 5.3.12: Financial Assistance. To receive credit for this GFE, the Bidder must provide one of the following types of assistance to an SBE during the 12 months before Bid Opening: (a) assistance in obtaining equipment, a loan, capital, lines of credit, (b) joint pay agreements or guaranties to secure loans, the purchase of supplies, or letters of credit, including waiving credit that is ordinarily required; or (c) assistance in obtaining the same unit pricing with the Bidder's suppliers as the Bidder. Such assistance may be in connection with a City Construction Contract or any other contract, but must have a value in excess of $2,000. To receive credit for this GFE, Bidders must document: (a) the name of the SBE; (b) the description of the assistance the Bidder provided; (c) the date the Bidder provided the assistance; (d) the name of a contact person with the SBE who can verify that the Bidder provided the assistance was provided; and (e) that the assistance provided had a value in excess of $2,000. The Bidder shall provide any other documentation of proof, as requested by the City.
☐	25	Section 5.3.13: Quick Pay Agreements On The Construction Contract Up For Award. *(see note) For purposes of this Section, the term "Quick Pay Commitment" means a commitment to pay all SBEs participating in the Construction Contract within 20 Days after the Contractor confirms that the SBE has properly performed and the SBE's work has been properly completed. To receive credit for this GFE, Bidders must: (a) provide the City with a copy of a policy containing the above-referenced Quick Pay Commitment that the Bidder has adopted for the project and document that the Bidder informed each SBE about the Quick Pay Commitment as part of the Bidder's SBE contacts under Section 5.3.2; or (b) document that prior to Bid Opening the Bidder made a written Quick Pay Commitment to each SBE that will participate in the Construction Contract up for award. Including a statement in a Bid solicitation letter indicating that the Bidder *will consider* entering into quick pay agreements will not suffice.

☐	20	Section 5.3.14: Attendance at City Workshops or Networking Sessions. To receive credit for this GFE, the Bidder must document that within 12 months prior to Bid Opening the Bidder attended a workshop, seminar or networking session held by the City to (a) educate contractors or SBEs about the requirements of the SBO Program and how Bidders can comply with the Program; or (b) increase the capacity or skill level of SBEs; or (c) provide networking opportunities for SBEs.
☐	20	Section 5.3.15: Follow-up Contacts. *(see note) To receive credit for this GFE, the Bidder must follow-up with each SBE that the Bidder contacted under Section 5.3.2 that did not reply that it was unwilling to participate in the Construction Contract. Additionally, the Bidder must: (a) make each follow-up contact subsequent to the initial contact and at least 48 hours before Bid Opening; (b) make each follow-up contact by telephone or in person, and (c) document the contact with affidavit stating the name of the SBE representative with whom the Bidder spoke and certifying that the contact met the content requirement of Section 5.3.2.2.
☐	15	Section 5.3.16: Achieving 50% of SBE Participation Goal. To receive credit for this GFE, the Bidder's Committed SBE Goal must be at least 50% of the SBE Goal established by the City for the Contract.
☐	15	Section 5.3.17: Additional SBE Outreach. *(see note) To receive credit for this GFE, a Bidder must do the following no less than 7 Days before the Bid Opening: (a) contact the minimum number of "additional outreach" SBEs specified in the City Solicitation Documents (which number will be higher than the minimum contacts required to satisfy GFE 5.3.2); and (b) document compliance with the solicitation requirements outlined in Section 5.3.2.1, Section 5.3.2.2 and Section 5.3.2.3, and (c) supply such additional documentation as the City may require.
☐	20	Section 5.3.18: SBE Participation On Non-City Contracts. To receive credit for this GFE, the Bidder must document that during the 24 month period before Bid Opening, the Bidder paid SBEs on non-City contracts more than the Bidder would have to pay SBEs to meet the SBE Goal for the Construction Contract at issue. To receive credit for this item, Bidders must document for each non-City SBE subcontract: (a) the name of the project and the parties to the contract; (b) the name of the SBEs the Bidder paid on the project; (c) the amount the Bidder paid to each SBE during such 24 month period; and (d) any additional documentation requested by the Program Manager for verification purposes. To count a payment to an SBE under this GFE, the SBE must have been certified by the City at the time the payment was made.
☐	25	Section 5.3.19: Working With a New SBE. To receive credit for this GFE, the Bidder must: (a) commit to hire a "New SBE" (as defined below) to provide goods or services totaling at least $10,000 on the Contract at issue, and (b) calculate and document the New SBE commitment in the manner set forth in Sections 3.2 through 3.7 of the SBO Policy Part D. As used herein, "New SBE" means an SBE that was certified as an SBE for the first time during the year prior to Bid Opening.
☐	20	Section 5.3.20: Exceeded SBE Goal by More Than 50% on Past Project. To receive credit for this GFE, the Bidder must document that during the 2 years prior to Bid Opening the Bidder exceeded the SBE Goal on a City Contract of equal or greater value by more than 50%. This GFE is measured by actual payments to SBEs as opposed to commitments. A Bidder "exceeds the SBE Goal" for purposes of this GFE when its total payments to SBEs on the Contract exceed the SBE Goal by more than 50% of the SBE Goal (the "50% Payment Threshold"). A Bidder may receive credit for this GFE during the time period that begins when the 50% Payment Threshold is first reached and extends for 2 years after completion of the applicable project.

350 Total Available GFE Points

_____ Total GFE Points Attained (to be completed by City)

<u>NOTE</u>: In order to earn GFE points for GFEs 5.3.3; 5.3.4; 5.3.6; 5.3.13(a); 5.3.15; or 5.3.17, you must also have earned the GFE points for 5.3.2.

The Charlotte BAROMETER Report

An Official Publication of the Charlotte Regional Visitors Authority

FEBRUARY 2012

National & International Business & Convention

METROPOLL XIV GEOGRAPHIC SITE SELECTION CONSIDERATIONS

The latest **Metropoll** Report identified twelve geographic site considerations that were rated "very important" by more than half of the corporate and association meeting decision makers surveyed. The top six were: convenient airline service (82%), easy for delegates to get to (82%) food and lodging costs (81%), travel costs to location (78%), good hotels (76%) and good value for the money (75%). The next six were: willing to make financial/other considerations (67%), clean/attractive city (63%), security/crime rate (59%), number of hotel rooms available (54%), good restaurants (52%) and attractiveness of conference hotels (51%).

Local Perspective

CHARLOTTE AREA LODGING – DECEMBER SMITH TRAVEL RESEARCH

December **occupancy** in the market was 49.2%, up 6.9% from December 2010. Market wide, occupancy finished the year at 61.3%, up 7.1% from 2010. By comparison, annual occupancy grew 4.4% in the US, 4% in NC and 4.5% in the Top 25 markets.

There were a total of 485,409 **rooms sold** in the market during December, up 6.3% from December 2010. Market wide, there were 7,129,289 rooms sold for the year, up 7.2% from 2010. That's only the 2nd time there have been more than 7 million rooms sold in the market during any calendar year. By comparison, annual rooms sold (demand) grew at 5% in the US, 4.9% in NC and 5.4% in the Top 25 markets.

December **average daily rate** (ADR) was $78.42 in the market, up 5.3% from December 2010. Market wide, average rate finished the year at $81.97, up 3.4% from 2010. By comparison, annual rate grew at 3.7% in the US, 2.6% in NC and 4.5% in the Top 25 markets.

December **revenue per available room** (RevPAR) was $38.61 in the market, up 12.5% from December 2010. Market wide, RevPAR finished the year at $50.24, up 10.8% from 2010. By comparison, annual RevPAR grew at 8.2% in the US, 6.7% in NC and 9.2% in the top 25 markets.

Local Market Trends

- Best annual occupancy since 2007 (65.8%)
- 24 straight months of occupancy gains
- Most annual rooms sold since 2007(7,141,608)
- 26 straight months of demand gains
- Best annual ADR since 2008 ($86.92)
- 18 straight months of rate gains
- Best annual RevPAR since 2008 ($52.30)
- 23 straight months of RevPAR gains

MECKLENBURG COUNTY HOSPITALITY TAX COLLECTIONS-- FY12 THROUGH DECEMBER

FY12 Mecklenburg County **6% regular occupancy tax** collections total $12.7 million year to date, up 10% from the same period last fiscal year.

FY12 Mecklenburg County **2% NASCAR Hall of Fame tax** collections total $4.2 million year to date, up 10% from the same period last fiscal year.

FY12 Mecklenburg County **1% prepared food & beverage tax** collections total $11.1 million year to date, up 9% from the same period last fiscal year.

National Leisure & Tourism

SUPERBOWL VISITORS TO SPEND ABOUT $150 MILLION IN INDY

According to **PricewaterhouseCoopers**, visitors, businesses and media will spend about $150 million this week on Indianapolis-area lodging, meals and entertainment leading up to the Super Bowl on Feb. 5. The spending is on par with Super Bowls held in Tampa and Miami in 2009 and 2010, respectively, but it's about a 25% drop-off from the more than $200 million spent in the Dallas area last year. Analysts note the biggest factor accounting for the difference is stadium seating capacity. Indianapolis' Lucas Oil Stadium seats 63,000. Cowboys Stadium in Arlington, Texas, typically seats 80,000, but attendance swelled over 100,000 with the addition of temporary seating and standing-room-only tickets. Thousands more watched the game on giant screens outside of the stadium.

Economy

NATIONAL RESTAURANT ASSOCIATION PERFORMANCE INDEX

The **National Restaurant Association**'s *Restaurant Performance Index* (RPI) rose sharply in December. The Index stood at 102.2 in December, up 1.6% from November and its highest level in nearly six years. In addition, December represented the third time in the last four months that the RPI stood above 100, which signifies expansion in the index of key industry indicators. Analysts note the favorable weather conditions in many parts of the country and higher same-store sales and customer traffic levels in December as a reason for the increase.

Media

JANUARY 2012 VOCUS

During the month of January, **Vocus** tracked 4,882 news items on key words tracked by CRVA. The top five mentions, by source, were Democratic National Convention (51%), NHOF (40%), Charlotte Convention Center (6%), Charlotte Tourism (1%) and Charlotte Sports (1%).

Sources for this Publication

- **Conference Board**
- **Mecklenburg County Tax Office**
- **Metropoll**
- **National Restaurant Association**
- **PricewaterhouseCoopers**
- **Rubicon**
- **Smith Travel Research**
- **The TAP Report**
- **Travel Smart News**
- **US Department of Labor**
- **Visit Charlotte/CRVA**
- **Vocus**

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Inside This Report

- **Barometer Summary (p. 1&2)**
- **Hospitality Industry Statistical Report (p. 3)**
- **Definite Bookings (p. 4)**
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- **Charlotte Market Committed Room Nights (p. 6)**
- **Hospitality Industry Sales Activities (p. 7)**
- **Lost Business Report (p. 8)**
- **Occupancy Tax Collections (p. 9)**
- **Prepared F&B Tax Collections and The Economy (p. 10)**

HOSPITALITY INDUSTRY STATISTICAL REPORT
January 2012

Charlotte Market Lodging Production					
	Charlotte Market	**North Carolina**	**Competitive Set**	**United States**	**Top 25**
December 2011 Occupancy %	49.2	43.3	46.1	47.6	55.6
% Change	6.9	3.9	2.9	4.1	3.6
December 2011 ADR $	78.42	76.77	84.13	99.67	122.48
% Change	5.3	4.0	3.2	3.4	3.0
December 2011 RevPAR $	38.61	33.27	39.21	47.78	68.09
% Change	12.5	8.0	6.2	7.6	6.7
2011 YTD Occupancy %	61.3	56.1	60.4	60.1	66.6
% Change	7.1	4.0	4.9	4.4	4.5
2011 YTD ADR $	81.97	81.86	90.93	101.64	123.59
% Change	3.4	2.6	3.5	3.7	4.5
2011 YTD RevPAR $	50.24	45.92	55.35	61.06	82.34
% Change	10.8	6.7	8.5	8.2	9.2

Source: Smith Travel Research-Stats lag by one month

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

Charlotte Douglas International Airport Aviation Production				
	Month of December	**% Chg from Dec '10**	**2011 YTD**	**YTD % Chg from '10**
Passenger Enplanements	1,626,204	2%	19,517,861	2%
Passenger Deplanements	1,620,273	2%	19,525,847	2%

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

Visit Charlotte Definite Room Night Production				
	Month of January	**Change from January 2011**	**FY 2012 YTD**	**YTD Chg (%) from FY11**
Total Room Night Production	5,752	-2,119	174,560	-66,545 (-28%)
Visitor Economic Development ($)	1,720,795	-2,818,001	97,761,851	-81,425,815 (-40%)
Number of Definite Bookings	18	-4	173	27 (18%)
Average Size of Definite Bookings	319	-39	1,009	-642 (-39%)
Total Attendance	3,144	-4,498	226,313	95,742 (-30%)
Convention Center GSF Booked	0	-840,000	18,520,000	5,860,000 (46%)

Visit Charlotte Lead Room Night Production				
	Month of January	**Change from January 2011**	**FY 2012 YTD**	**YTD Chg (%) from FY11**
Total Room Night Production	96,648	3,560	543,678	-3,888 (-1%)
Number of Lead Bookings	124	36	447	44 (11%)
Average Size of Lead Bookings	779	-280	1,216	-143 (-11%)

Visit Charlotte Housing Bureau Production			
	Month of January	**FY 2012 YTD**	**YTD% Chg from FY11**
Total Reservations Produced	446	4,385	-22%
Total Room Nights Produced	1,809	13,782	-31%

Visit Charlotte Leisure Tourism Promotion & Production			
	Month of January	**FY 2012 YTD**	**YTD % Chg from FY11**
Advertising Impressions	5,782,585	73,657,291	N/A
www.charlottesgotalot.com Visitors (Google)	142,720	895,562	48%
Motor Coach Group Bookings (Passengers)	182	3,488	18%

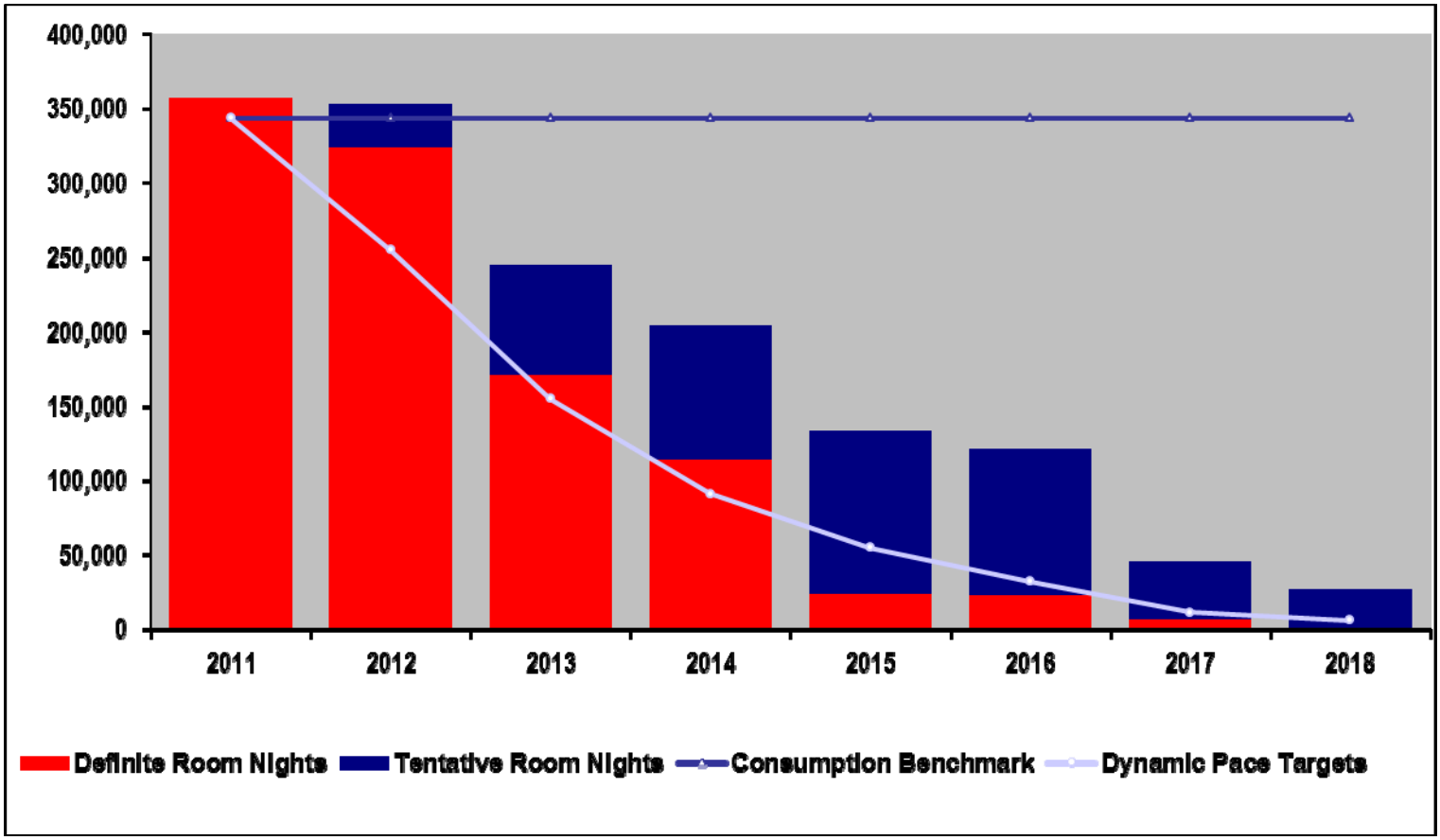
DEFINITE BOOKINGS
January 2012

Charlotte Convention Center							
Group Name	**Meeting Type**	**Event Date**	**Days**	**Exhibit Gross Sq Ft**	**Total Room Nights**	**Attend**	**Dir. Visitor Econ. Dev. ($)**
Total							

Conference Sales					
Group Name	**Event Date**	**Days**	**Total Room Nights**	**Attendance**	**Dir. Visitor Econ. Dev. ($)**
Aramark ®	Jan '12	2	338	140	70,319
National Council of Examiners for Engineering & Surveying	Feb '12	1	25	14	3,579
Volvo Trucks North America ®	Feb ' 12	3	302	100	54,657
National Industries for the Severely Handicapped	Mar '12	4	48	15	10,,128
National Marrow Donor Program	Apr '12	2	150	75	30,727
InterNET Services Corporation ®	Apr '12	2	210	650	118,693
Phi Theta Pi	May '12	5	125	45	25,435
Young Sindhi Adults	Jul '12	4	180	250	57,515
Society of Industrial and Office Realtors ®	Jul '12	3	55	40	7,300
Mobile Health Clinics Network	Sep '12	4	519	250	165,258
Faffcon	Oct '12	2	158	100	38,206
Public Risk Management Association ®	Nov '12	4	234	100	67,676
North Carolina Association of Certified Public Accountants ®	Jan '13	1	26	35	21,577
Southern Gas Association ®	Mar '13	2	431	200	114,529
The Knee Society	Oct '14	2	190	130	75,862
International Textile & Apparel Association	Nov '14	3	650	300	199,008
Southern Gas Association ®	Mar '15	2	431	20	128,998
American Orthopaedic Association	Jun '17	4	1,680	500	531,328
Total					
GRAND TOTAL			**5,752**	**3,144**	**1,720,795**

Sports & Leisure Spending -DKS&A 2007 Charlotte Update (attendance x $134 x # days)
Convention & Conference Spending -2011 Tourism Economics, DMAI, Charlotte Event Impact Model
® Repeat Business

Eight Year Dynamic Room Night Pace Report
(As of 1/1/12) Trends Analysis Projections, LLC

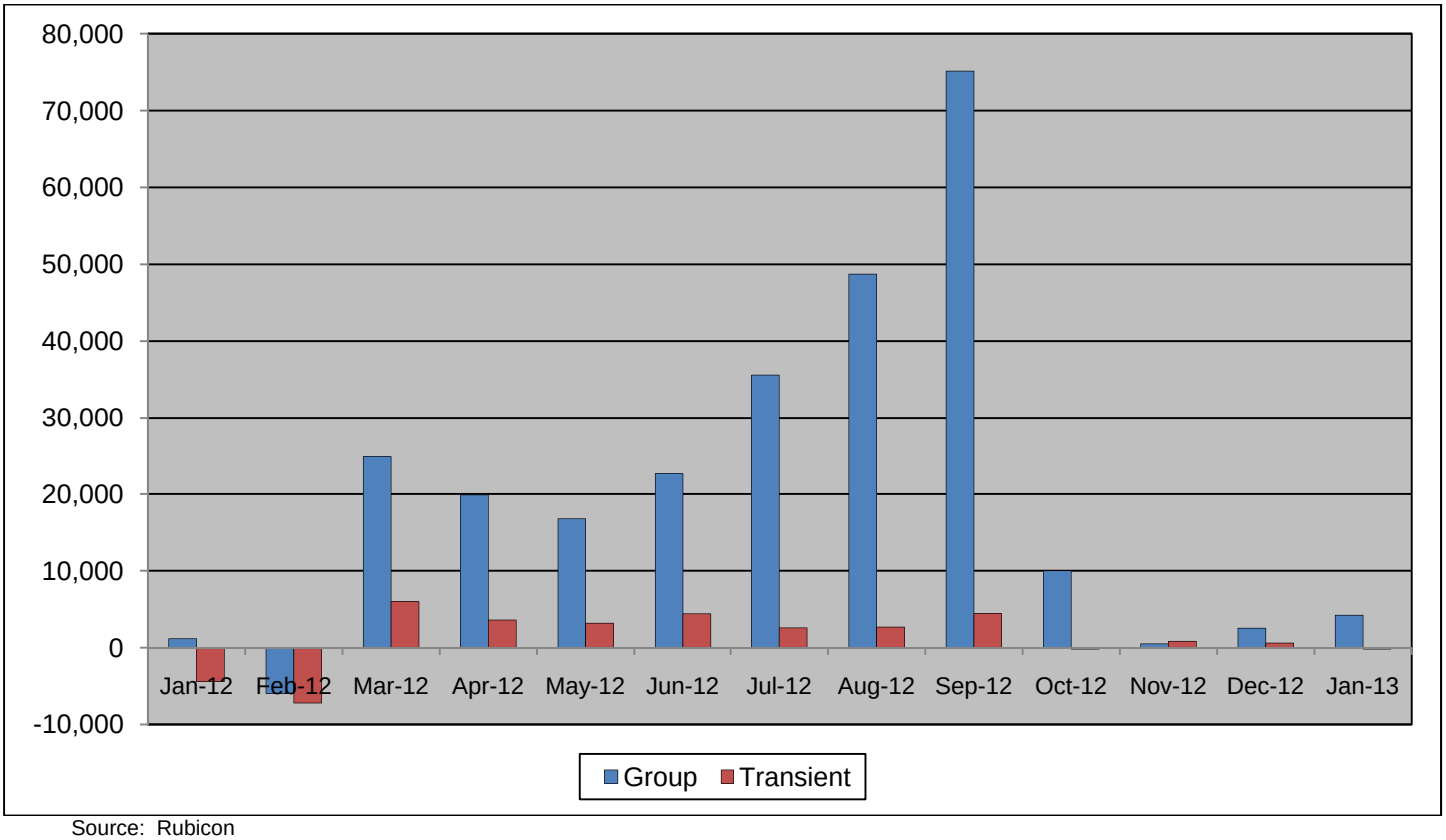


Eight Year Dynamic Room Night Pace Report
(As of 1/1/12) Trends Analysis Projections, LLC

	2011	2012	2013	2014	2015	2016	2017	2018	Total
Charlotte Definite Room Nights	357,551	342,081	170,663	114,145	23,628	22,709	5,937	0	1,018,714
Pace Target	343,561	254,767	154,712	90,871	54,739	31,768	11,102	5,576	947,094
Pace Percentage	104%	127%	110%	126%	43%	71%	53%	0%	108%
Tentative Room Nights	0	29,237	74,138	89,923	109,583	98,791	39,247	26,970	467,889
Consumption Benchmark	343,561	343,561	343,561	343,561	343,561	343,561	343,561	343,561	2,748,488
Peer Set Pace Percentage	98%	106%	92%	91%	112%	100%	118%	132%	100%

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

Charlotte Market
Change in Committed Room Nights
From Previous Year (As of 1/20/12)



Source: Rubicon

Charlotte Market
Change in Committed Room Nights
From Previous Year (As of 1/20/12)

	1/12	2/12	3/12	4/12	5/12	6/12	7/12	8/12	9/12	10/12	11/12	12/12	1/13	Total
Change Group RN	1,152	-5,970	24,856	19,873	16,777	22,652	35,585	48,732	75,145	10,002	487	2,540	4,225	256,056
% Change Previous Year	1.9	-7.5	35.1	41.4	42.0	50.8	92.1	185.3	244.0	46.6	2.6	42.4	237.6	52.6
Change Transient RN	-4,407	-7,209	5,995	3,606	3,182	4,405	2,584	2,680	4,431	-186	829	593	-186	16,317
% Change Previous Year	-2.4	-11.3	17.2	34.5	23.2	120.4	93.0	106.4	197.2	-7.2	59.3	74.0	-84.5	5.1
Change Combined RN	-3,255	-13,179	30,851	23,479	19,959	27,057	38,169	51,412	79,576	9,816	1,316	3,133	4,039	272,373
% Change Previous Year	-1.4	-9.2	29.2	40.2	37.2	56.1	92.1	178.4	240.9	40.8	6.4	46.2	202.2	33.8

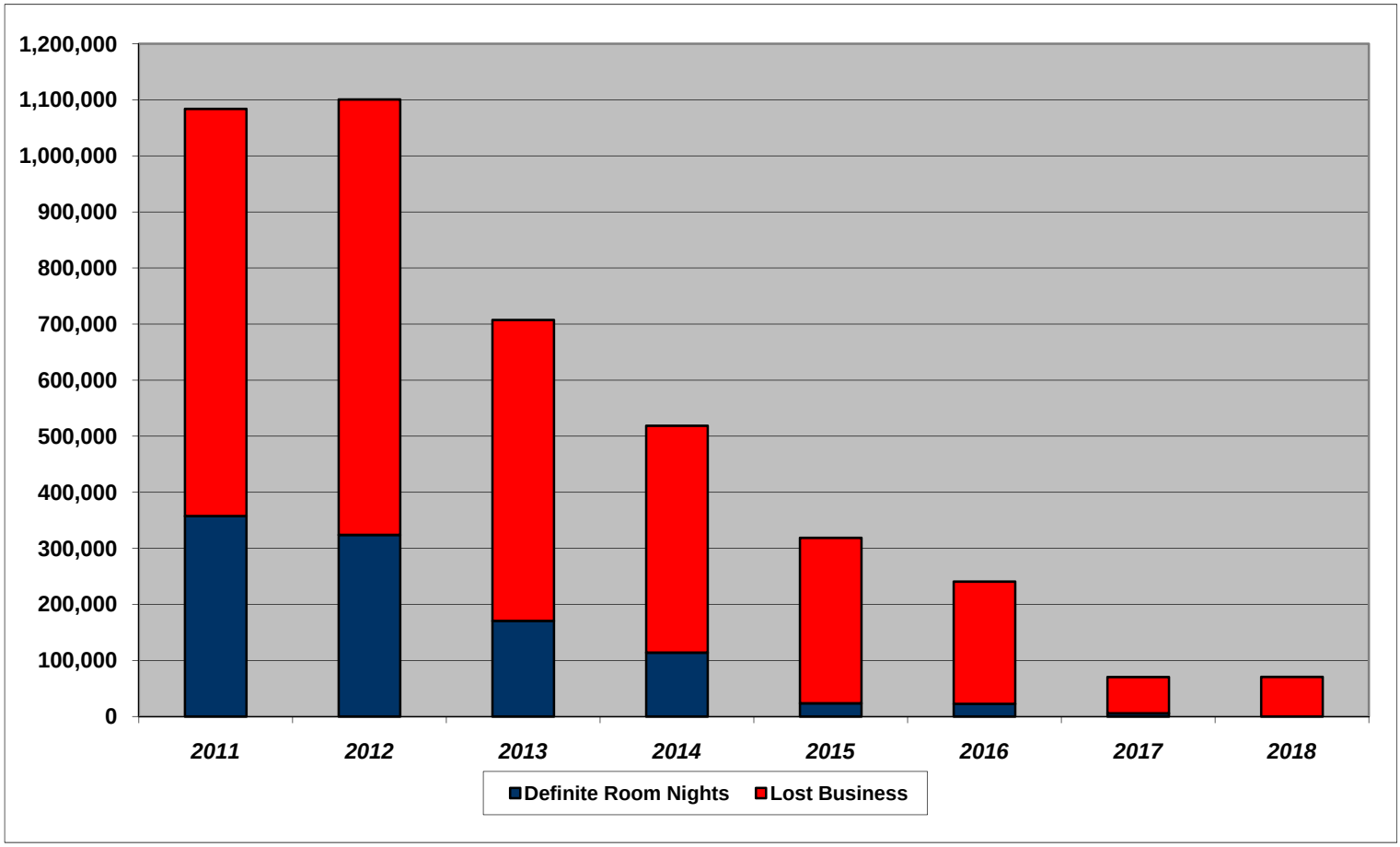
Source: Rubicon

HOSPITALITY INDUSTRY SALES ACTIVITIES
January 2012

Site Visits			
Group Name	**Venue**	**Total Room Nights**	**Total Attendance**
DEFINITES			
N/A	N/A	N/A	N/A
TENTATIVES			
Campus Outreach (Dec ’12)	CCC	2,000	2,000
North American Association of Central Cancer Registries (Jun ’15)	Hotel	1,155	350

Trade Shows & Events (attended by staff)	
Event Name	**Location**
American Bus Association	Grapevine, TX
Carolinas NSA	Myrtle Beach, SC
Professional Convention Management Association	San Diego, CA
Religious Conference Management Association	Kansas City, MO
USA Track & Field Marathon Trials	Houston, TX

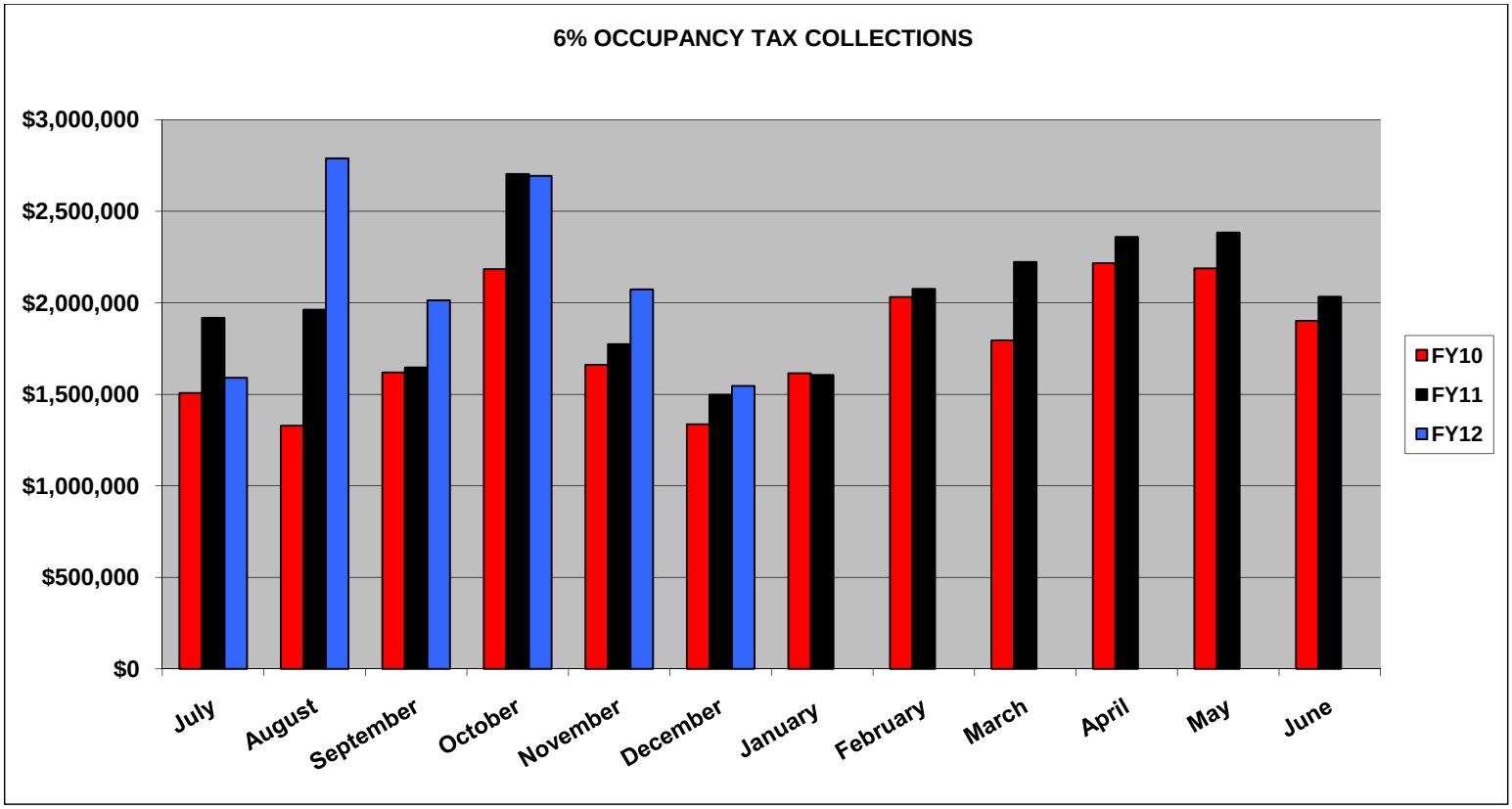
Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 1/1/12)Trends Analysis Projections, LLC

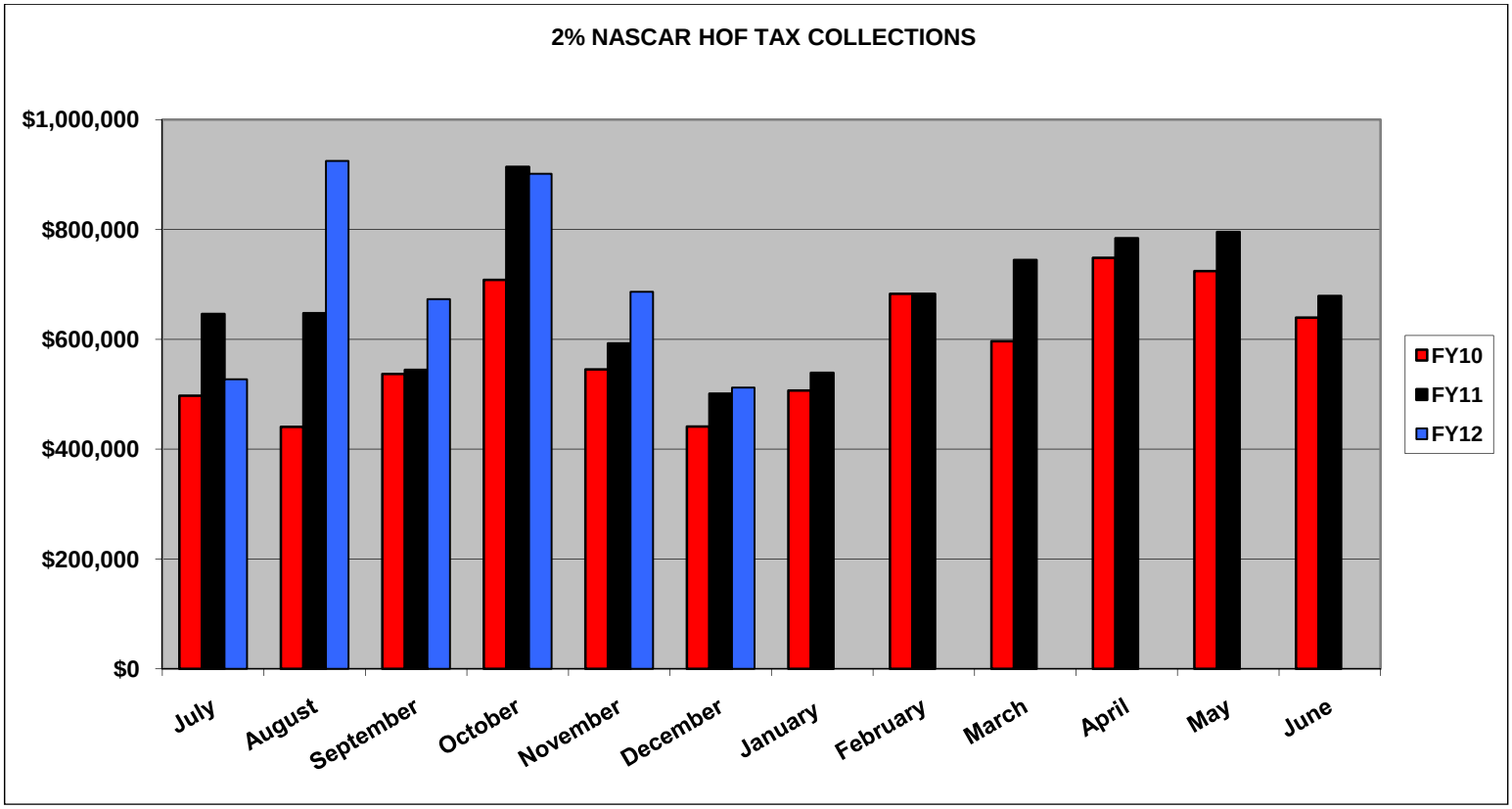


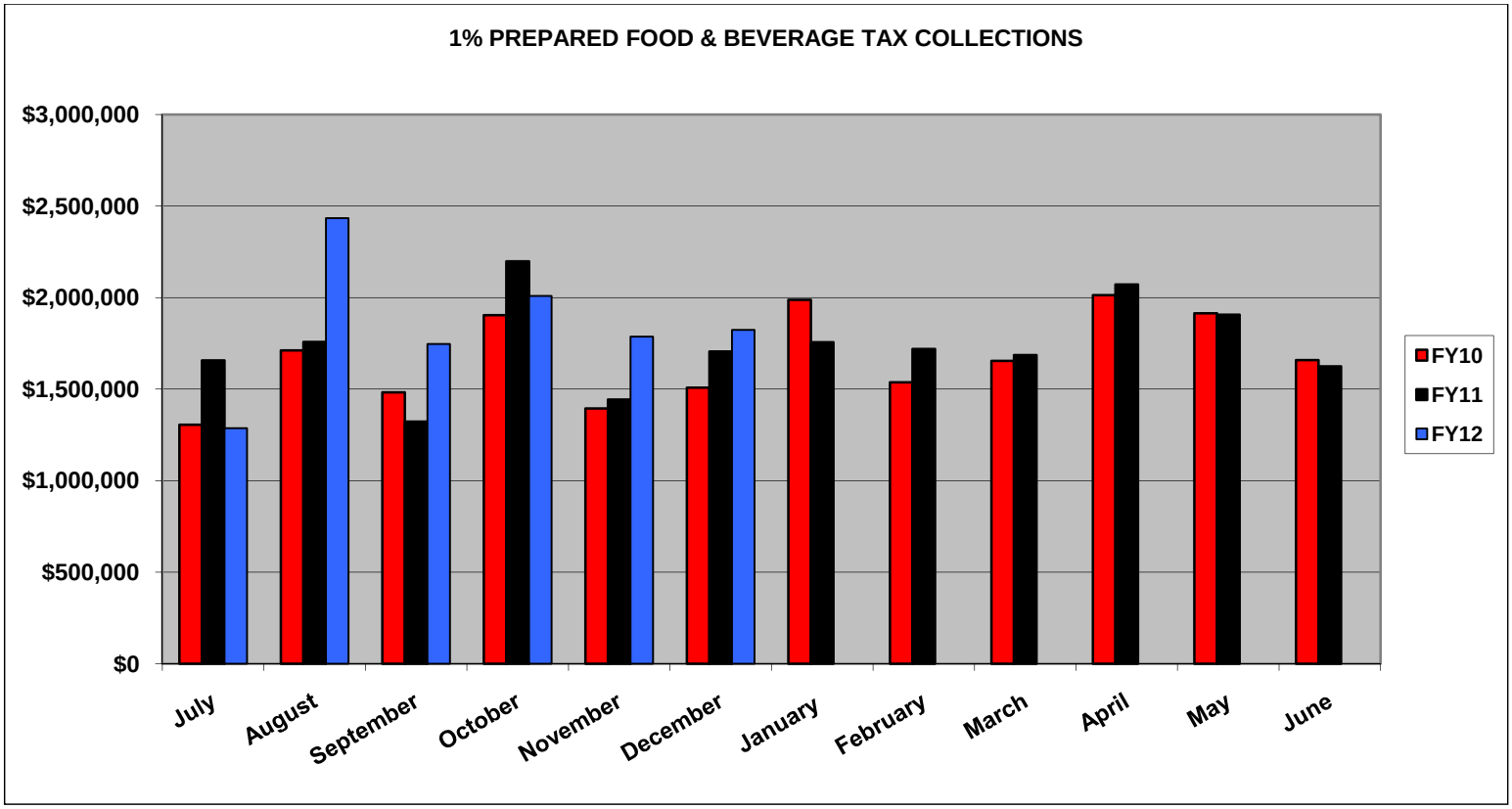
Visit Charlotte Pace vs. Demand Comparison – Lost Business (As of 1/1/12)Trends Analysis Projections, LLC

	2011	2012	2013	2014	2015	2016	2017	2018	Total
Charlotte Definite Room Nights	357,551	324,081	170,663	114,145	23,628	22,709	5,937	0	1,018,714
Pace Target	343,561	254,767	154,712	90,871	54,739	31,766	11,102	5,576	947,094
Pace Percentage	104%	127%	110%	126%	43%	71%	53%	0%	108%
Total Demand Room Nights	1,083,975	1,100,539	707,434	518,821	318,751	240,616	70,582	70,835	4,111,553
Lost Room Nights	726,424	776,458	536,771	404,767	295,123	217,907	64,645	70,835	3,092,839
Conversion Percentage	33%	29%	24%	22%	7%	9%	8%	0%	25%
Peer Set Conversion Percentage	28%	25%	22%	21%	23%	23%	25%	19%	24%

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


6% OCCUPANCY TAX COLLECTIONS
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
July
August
September
October
November
December
January
February
March
April
May
June
FY10
FY11
FY12


2% NASCAR HOF TAX COLLECTIONS
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
July
August
September
October
November
December
January
February
March
April
May
June
FY10
FY11
FY12



THE ECONOMY
December 2011

	2010	2011	% Change
Consumer Confidence Index	52.5	64.5	23%
Consumer Price Index (CPI)	218.056	224.939	3%
Unemployment Rate			
- National	9.4	8.5	-10%
- State	9.8	9.9	1%
- Local	10.7	10.3	-4%