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WEEK IN REVIEW:

Mon (April 20)	Tues (April 21)	Wed (April 22)	Thurs (April 23)	Fri (April 24)
5:00 PM Zoning Meeting, Room CH-14		5:30 PM Metropolitan Transit Commission, Room 267	12:00 PM Transportation & Planning Committee, Room 280	

CALENDAR DETAILS:

Monday, April 20

5:00 PM Zoning Meeting, Room CH-14

Wednesday, April 22

5:30 PM Metropolitan Transit Commission, Room 267
AGENDA: Adoption of FY16/17 budget; Title VI service equity analysis; BLE project enhancements; Proposed route changes; Charlotte Gateway Station

Thursday, April 23

12:00 PM Transportation & Planning Committee, Room 280
AGENDA: University City area plan; Zoning ordinance update; Future meeting topics and schedule

April and May calendars are attached.



April-May 2015.pdf

INFORMATION:

April 18 – TreesCharlotte to Plant Trees Saturday in Brightwalk, Anita Stroud Park

Staff Resource: Erin Oliverio, E&PM, 704-432-2925, eoliverio@charlottenc.gov

This Saturday, April 18, volunteers with TreesCharlotte will plant 176 trees and 200 shrubs during a TreeDay in the Brightwalk neighborhood and Anita Stroud Park, at Woodward Avenue, off Statesville Road.

The event is from 9 a.m.-12 p.m. and is sponsored by Crescent Communities, with 125 volunteers from the Brightwalk community, Crescent, Duke Energy and Belk. The event is in collaboration with Charlotte Mecklenburg Housing Partnership, Mecklenburg County Park & Recreation, McColl Center for the Arts, City of Charlotte, and TreesCharlotte.

The planting plan was created by environmental artist Stacy Levy (www.stacylevy.com) to establish habitat for birds and other wildlife.

This is TreesCharlotte's 22nd and final event of the Oct-April planting season. In that time, more than 12,000 trees will have been planted or given away, including more than 5,000 trees through the NeighborWoods program.

At TreeDay events, volunteers, neighbors and staff from the City and TreesCharlotte help residents plant trees on their property. Council members are invited to attend any TreesCharlotte event. If Council members plan to attend, please contact Erin Oliverio.

TreesCharlotte is the civic/private collaborative that supports and leverages Council's goal of "50% Tree Canopy by 2050." Using Council's tree planting budget and the work of dedicated volunteers, TreesCharlotte is raising private dollars to plant trees, educate and energize the community.

For each TreesCharlotte event the City pays for incidentals, including mulch. The City partners with TreesCharlotte to manage logistics for the community NeighborWoods events. City staff provides expertise in neighborhood outreach, tree selection and creation of planting plans. TreesCharlotte raises the capital to purchase trees and to provide volunteer meals, tools and t-shirts.

April 21 – Community Meeting About Train Horn Noise

Staff Resources: Debbie Smith, CDOT, 704-336-3935, dsmith@charlottenc.gov

Judy Dellert-O'Keef, CDOT, 704-432-0105, jdellert-okeef@charlottenc.gov

The Charlotte Department of Transportation (CDOT) will host an informational meeting for west side residents regarding train horn noise on Tuesday, April 21, 2015 from 6:30-7:30 p.m.

The Federal Rail Administration (FRA) requires that trains must sound a horn prior to crossing a roadway. The FRA provides for an exemption to this requirement called a quiet zone. In order to establish a quiet zone, specific infrastructure such as gates, warning lights, bells, and other items must be provided. CDOT staff has done extensive research and evaluation of Charlotte's at-grade crossings and the requirements of the quiet zone provision. CDOT staff will share that information with citizens at the community meeting as well as discuss associated costs to establish a quiet zone. The FRA and CSX Railroad will have representatives at the meeting.

Staff had originally planned to provide an update to Council on the Quiet Zone program at the April 13 Dinner Briefing, but the discussion was bumped by other agenda items.

The meeting will be held at the Beatties Ford Road Regional Library, 2412 Beatties Ford Road.

CityLYNX Gold Line Streetcar Rolls Through Tests

Staff Resource: Tonia Wimberly, E&PM, 704-353-1931 twimberly@charlottenc.gov

On-track tests of Gold Line streetcar operations began March 24, with early testing occurring at night. During the week of April 6 the streetcar rolled onto Trade Street during the day to test the contractor's signal work and ensure integration of the signal system and vehicle. During the weekend of April 11-12 the Project Team completed testing of the streetcar/Blue Line connection. All systems were working properly and City staff is pleased with the test results of the last three weeks.

The contractor is nearing completion of the Gold Line infrastructure, has almost completed testing of streetcar systems, and is preparing to install the finishing touches on the job. Shelter installation should start over the next two weeks.

The City is 67% complete with its integrated testing, with more testing over the next two weeks. Operator training will begin at the end of April.

The CityLYNX Gold Line is on schedule to begin service at the end of June.



2015 State Legislative Report #10

Staff Resource: Dana Fenton, City Manager's Office, 704-336-2009, dfenton@charlottenc.gov

Attached is the latest State Legislative Report. The House of Representatives bill filing deadlines have now passed. Among the newly introduced legislation is HB 903 to allow cities to levy, by resolution, a 1/4 cent sales tax with all of the net proceeds going back to the city. HB 713 is statewide legislation to designate body worn camera recordings as a record of a criminal investigation and specifying the process for persons to access the recordings.



week 10 final
report.pdf

ATTACHMENTS:

February 25 Housing & Neighborhood Development Committee Summary



022515 HAND
Summary Package.pdf

March 5 Economic Development & Global Competitiveness Committee Summary



EDSummary3-5-15.p
df

March 19 Economic Development & Global Competitiveness Committee Summary



EDSummary3-19-15.
pdf

March 25 Housing & Neighborhood Development Committee Summary



032515 HAND
Summary Package.pdf

April

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
			1	2 2:30pm ED & Global Competitiveness Committee Mtg., Room CH-14	3 <div style="border: 1px solid black; background-color: #cccccc; padding: 5px; text-align: center;">Good Friday</div>	4
5	6 12:00pm Environment Committee Mtg., Room 280 2:00pm City Manager's Update Meeting, Room CH-14 4:00pm Intergovernmental Relations Committee Mtg., Room 280 5:00pm Focus Area Plan Retreat, Room 267	7	8 12:00pm Housing & Neighborhood Dev. Committee Mtg., Room 280 2:00pm Budget Workshop, Room 267	9 12:00pm Community Safety Committee Mtg., Room 280	10	11 10:00am CFD HQ Grand Opening , 500 Dalton Ave.
12	13 5:00pm Council Business Meeting, Room 267	14 <div style="border: 1px solid black; background-color: #cccccc; padding: 5px; text-align: center;">Optional Council trip to Raleigh</div>	15	16 6:30pm District 6 Town Hall Meeting, Sharon United Methodist Church – 4411 Sharon Rd.	17 1:30pm Budget Workshop, Room CH-14	18
19	20 5:00pm Zoning Meeting, Room CH-14	21	22 5:30pm MTC Meeting, Room 267	23 12:00pm Transportation & Planning Committee Mtg., Room 280	24	25
26	27 12:00pm Governance & Accountability Committee Mtg., Room 280 5:00pm Citizens' Forum/Council Business Meeting, Room 267	28	29	30		
					<div style="border: 3px double black; padding: 10px; display: inline-block;">2015</div>	

May

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
					1	2
3	<p style="text-align: center;">4</p> <p>3:00pm Intergovernmental Relations Committee Mtg., Room 280</p> <p>5:00pm Council Workshop/Citizens' Forum, Room 267</p> <p>7:00pm Budget Presentation, Meeting Chamber</p>	5	<p style="text-align: center;">6</p> <p>11:00am Grand Opening/Ribbon Cutting for NoDa Lofts, 3327 N. Davidson St.</p>	<p style="text-align: center;">7</p> <p>12:00pm ED & Global Competitiveness Committee Mtg., Room CH-14</p>	8	9
	Optional Council trip to Raleigh					
10	<p style="text-align: center;">11</p> <p>3:00pm Transportation & Planning Committee Mtg., Room 280</p> <p>5:00pm Council Business Meeting, Room 267</p> <p>5:30pm Budget Public Hearing, Meeting Chamber</p>	12	<p style="text-align: center;">13</p> <p>12:00pm Housing & Neighborhood Dev. Committee Mtg., Room 280</p> <p>2:00pm Budget Adjustments, Room 267</p>	<p style="text-align: center;">14</p> <p>12:00pm Community Safety Committee Mtg., Room 280</p>	15	16
17	<p style="text-align: center;">18</p> <p>12:00pm Environment Committee Mtg., ESF – 4222 Westmont Drive</p> <p>5:00pm Zoning Meeting, Room CH-14</p>	19	20	<p style="text-align: center;">21</p> <p>12:00pm ED & Global Competitiveness Committee Mtg., Room CH-14</p>	22	23
24	Memorial Day	<p style="text-align: center;">26</p> <p>12:00pm Governance & Accountability Committee Mtg., Room 280</p>	<p style="text-align: center;">27</p> <p>12:00pm Budget Adjustments/Straw Votes, Room 267</p> <p>5:30pm MTC Meeting, Room 267</p>	<p style="text-align: center;">28</p> <p>12:00pm Transportation & Planning Committee Mtg., Room 280</p>	29	30
31						

2015



**CITY MANAGER'S OFFICE
M E M O R A N D U M**

April 17, 2015

TO: Ron Carlee, City Manager
Ron Kimble, Deputy City Manager

FROM: Dana Fenton, Intergovernmental Relations Manager

SUBJECT: **2015 State Legislative Report #10**

County Tax Flexibility / Municipal Revenue Options ([HB 903 – Saine](#)) is intended to replace the Business Privilege License Tax by providing authority for cities to levy a ¼ cent sales tax, by resolution, with the proceeds being remitted back to the City. Referred to Local Government and if favorable, Finance.

Omnibus Economic Development Improvements ([HB 920 – Saine, Hamilton, R. Moore and Jeter](#)) is a bi-partisan initiative to, among other things enact state level new market tax credits program, reenact historic rehabilitation tax credits, amend the film grant fund and low-income housing tax credit programs, and raise the cap on the Job Development Investment Grant program.

Body and Dash Cam Recordings / Public Access ([HB 713 - Faircloth, Daughtry, Boles and Hurley](#)) states that body worn camera recordings are records of a criminal investigation and specifies the process for persons to access those recordings. HB 713 was referred to Judiciary I.

Regulate Transportation Network Companies ([HB 680 – Brawley, Bradford, Saine and Hanes](#) / [SB 541 – Rabon](#)) provides for a Statewide regulatory regimen of transportation network companies and drivers administered by the Department of Motor Vehicles and addresses liability insurance requirements and background checks for drivers. HB 680 referred to Commerce & Job Development and SB 541 to Transportation.

Rental Registration ([HB 530 – Brawley](#) / [SB 442 – Gunn, Ford and Wade](#)) is very similar to the legislation introduced in the last session in that it prohibits mandatory registration of all rental properties in favor of registration of only those units that meet certain disorder thresholds. HB 530 was reported out of House Local Government and next goes to Regulatory Reform Committee.

Outdoor Advertising ([HB 304 – Hager, Collins, J. Bell and Hanes](#) / [SB 320 – Brown, Rabon and Tarte](#)) legislation would preempt local authority by proposing statewide standards for the alteration of signs, conversion of static signs to changeable message signs, relocation of signs and size of signs. HB 304 was referred to House Commerce and Job Development and SB 320 was referred to Senate Commerce.

Exempt Builder's Inventory ([HB 168 – Hager, Millis, Brody and Collins](#) / [SB 321 – Brown, Tucker and Gunn](#)) excludes from property taxes any increase to the value of improvements made to real property held for sale by a builder for up to five years. The bills broaden the definition of a “builder” by removing the requirement that they be licensed as a general contractor under G.S. 87-1. Based upon updated guidance received from the Mecklenburg County Assessor, the bills will cause a 1.5% decline in tax value resulting in an estimate of revenue loss for the City in FY 2016 of \$5.8 million growing to \$6 million in FY 2017.

Job Creation and Tax Relief Act ([SB 526 – Rucho, Rabon and Tillman](#)) continues 2013 tax reform efforts by reducing personal and corporate income and franchise taxes, phasing in single sales factor apportionment for computing corporate income tax liability, and targeting more of the Job Development Investment Grants (JDIG) program resources to lower income communities and transformative industries. According to the sponsors, SB 526 could result in State General Fund tax relief of approximately \$1 billion. With respect to the JDIG program, SB 526 limits the percentage of JDIG funds awarded for projects in a major market community (Durham, Mecklenburg and Wake counties) to no more than twice the county's share of population to the entire State. In the case of Mecklenburg County where the population is 10% of the State total, grants would be capped at 20% of all the grants that can be awarded statewide in any single calendar year. This proposal is in reaction to data showing that more than 80% of JDIG grants over the last two years were directed to projects in Durham, Mecklenburg and Wake Counties. New language has been added to allow the grant cap to be exceeded when a “high yield” project requires at least \$1 billion in private investment and creates 2,500 eligible positions (i.e. automotive or aerospace manufacturer) locating in a major market community. SB 526 was referred to Senate Finance

The amendments proposed for the JDIG program in SB 526 appear to be identical to those proposed for SB 338, **Economic Development / Tax Modifications ([SB 338 – Berger, Brown and Tillman](#))**. SB 338 was introduced by Senate Republicans and would reduce corporate income taxes, in addition to making the aforementioned changes to the Job Development Investment Grant program. SB 338 was referred to Senate Commerce.

NC Competes Act ([HB 117 – S. Martin, Jeter, Collins and Steinburg](#)) is the House Republican economic development incentives bill that proposes to continue the existing fuel sales tax cap for passenger air carriers by extending the sunset date from the end of 2015 to January 1, 2020, and make modifications to the Job Development Incentives Grant (JDIG), One NC, and Site Infrastructure Fund programs. The “major market community” limitations proposed for SB 526 and SB 338 are not proposed for HB 117. HB 117 passed the House and was sent to the Senate where it has been referred to the Finance Committee.

New Historic Preservation Tax Credit ([HB 152 – Ross, Hardister, Lewis and Glazier](#) / [SB 287 – Hartsell](#)) would implement the Governor’s recommendation for reforming the historic preservation tax credit program that was allowed to lapse at the end of 2014. HB 152 passed the House on a 98-15 vote and was referred to Senate Ways & Means.

Sales Tax Fairness Act ([SB 369 – Brown](#)) and Simple and Fair Formula for Sales Tax Distribution ([SB 608 – Rucho](#)) propose to convert local sales tax revenues to a state source of revenue that will be shared with local governments through State General Fund appropriations. The bills target the 1% Article 39, ½% Article 40 and ½% Article 42 sales taxes totaling 2%.

SB 369 will reportedly be amended to correct the inadvertent repeal of current laws regarding the Article 44 Medicaid hold harmless and sharing of revenues between counties and cities. SB 369 phases in sales and use tax changes starting in FY 2016 with full implementation scheduled for FY 2019. SB 369 calls for distributing sales and use tax revenues to counties on a per capita basis. The adjustment factors in effect for each county would be phased out starting in FY 2016.

SB 608 sets a base allocation using FY 2014 sales and use tax collections and distributes the growth in sales tax revenues above the base on a per capita basis. Each county and city would be held harmless at FY 2014 sales and use tax levels. The adjustment factors are repealed and it allows counties to distribute the revenues within their respective counties using either of the existing ad valorem or per capita methods.

Protest Petitions: Zoning Changes / Citizen Input ([HB 201 – Stam, Goodman, Jackson and Fraley](#)) requires simple majority vote for zoning decisions and implements affirmative requirement for written communications regarding the zoning case to be submitted to governing body. A floor amendment to maintain the protest petition by raising the threshold to certify petitions from 15% to 66% of neighboring property owners, and lowering the required majority of governing body members to approve rezonings with certified petitions from three-fourths to two-thirds failed to advance on 48-63 vote. HB 201 passed House and referred to Senate Rules.

Zoning Changes / Majority Rule ([SB 300 – Wells, Lee and Smith](#)) requires a simple majority vote on all zoning decisions but without the enhanced requirements for submitting citizen comments to the governing body found in HB 201. SB 300 referred to Senate Rules.

Zoning/Design and Aesthetic Controls ([HB 36 – Dollar, Brawley, Jordan and Glazier](#) / [SB 25 – Gunn, Apodaca and Tarte](#)) is identical to legislation from last session that the Senate was ready to consider but never actually voted upon ([2013 HB 150 Edition 4](#)). HB 36/SB 25 would specify when local governments could apply design and aesthetic controls to structures subject to regulation under the NC Residential Code for One- and Two-Family Dwellings. The bills also specify six exemptions from the legislation for structures located in local historic districts, or historic districts on the National Register of Historic Places, local, State or national historic landmarks, and requirements to meet life safety codes, manufactured housing regulations, and conditions of participation in the national flood insurance program. HB 36 was referred to House Local Government and SB 25 to Senate Rules.

City Requested Legislation

Charlotte Firefighters' Retirement System (**HB 70 – Bishop, Bradford, Alexander, Bryan, Jeter and R. Moore** / **SB 137 – Tarte, Ford, Jackson and Waddell**) amends the City's firefighters' retirement system legislation in accordance with the direction provided the System by the Internal Revenue Service. SB 137 is in Senate Pensions & Retirement and Aging Committee. HB 70 passed House and sent to Senate.

Civil Service Board (**HB 143 – Bishop, Cunningham, Cotham, Bradford, Alexander, Carney, Earle, Jeter and R. Moore**) amends the City Charter provisions for the Civil Service Board consistent with the City's legislative request. Passed House and sent to Senate Rules.

Omnibus Crime Control Bill (**HB 173 – Stam, Faircloth, Glazier and Turner**) would make necessary amendments to the NC Street Gang Nuisance Abatement Act to authorize the Courts to extend temporary injunctions for good cause shown against criminal street gang activity. Amendments are in Part XIII of the Omnibus Crime Control Bill and are supported by the City of Charlotte, NC League of Municipalities and NC Metropolitan Police Chiefs Association. HB 173 passed House and sent to Senate Rules.

Stormwater Management (**HB 141 – Jeter, Cotham, Cunningham, Bradford, Bryan, Carney, Earle and R. Moore**) adds statutory authority for Mecklenburg County municipalities to utilize the County's statutory authority to implement flood reduction techniques that result in improvements to private property. Referred to House Environment.

Metropolitan Transit Commission Requested Legislation

Special Assessments for Critical Infrastructure Needs Act (**SB 284 – Hartsell**) repeals the sunset date of the Special Assessments for Critical Infrastructure Needs Act. SB 284 is supported by the Metropolitan Transit Commission and the Towns of Apex and Mooresville. The Act allows counties and cities to form districts to finance the construction of public transportation, streets and sidewalks, parking facilities, stormwater facilities, renewable energy and many other types of infrastructure.

**CHARLOTTE****2015-2016 BILL MONITORING LIST**

April 17, 2015

Bill #	Bill Description	Primary Sponsors
FISCAL & ADMINISTRATIVE		
Appropriations:		
HB 940	2015 Governor's Budget	Dollar, L. Johnson, McGrady & Lambeth
Economic Development:		
HB 17	Startups Act / New Market Tax Credit	R. Brown & Bryan
HB 89	Omnibus Economic Development Improvements	Hamilton, R. Moore & Hanes
HB 117	NC Competes Act	S. Martin, Jeter, Collins & Steinburg
HB 152 SB 287	New Historic Preservation Tax Credit	Ross, Hardister, Lewis & Glazier / Hartsell
HB 171 SB 193	Modify Film Grant Fund	Davis, Lewis, Saine & Iler / Lee & Rabon
HB 454 SB 447	Energy Investment Act	Jeter, Saine, Setzer & Goodman / B. Jackson, Hartsell & Tarte
HB 575	Reenact Qualified Business Investment Credit	B. Brown, Saine, Jeter & S. Martin
HB 920	Omnibus Economic Development Improvements	Saine, Hamilton, R. Moore & Jeter
SB 187	Air Carrier Fuel Tax Exemption	Rabon
SB 202	Reenact Preservation Rehab Tax Credits	Low
SB 204	Reenact Film Credit	Low
SB 326	Increase JDIG Program Funding	Gunn, Meredith & Apodaca
SB 338	Economic Development / Tax Modifications	Berger, Brown & Tillman
SB 340	Economic Development / Job Catalyst Fund	Low
SB 342	Economic Development / JDIG Extension	Low
SB 372	Renewable Energy Safe Harbor	Rucho, Tillman & Rabon
SB 472	Local Incentives for Historic Rehabilitation	Rucho & Brock
Elections:		
HB 402	Study Municipal Elections in Even Years	Ford
HB 621	Public Financing of Municipal Campaigns	Insko & Fisher
SB 650	Elections Transparency	Rabin, Tarte & Sanderson
Eminent Domain:		
HB 3 SB 74	Eminent Domain	McGrady / B. Jackson

Bill #	Bill Description	Primary Sponsors
HB 127 SB 425	NC Department of Transportation Condemnation Changes	Stam, Jackson & Bryan / Wells, Krawiec & Daniel
Employee Relations:		
HB 70 SB 137	Charlotte Firefighters' Retirement System	Bishop, Bradford, Alexander, Bryan, Jeter & R. Moore / Tarte, Ford, Jackson & Waddell
HB 143	Civil Service Board	Bishop, Cunningham, Cotham, Bradford, Alexander, Carney, Earle, Jeter & R. Moore
HB 274	Retirement Technical Corrections Act of 2015	Gill, Bell, Elmore & Waddell
HB 277	Retirement Administrative Changes Act of 2015	Ross, Gill, Goodman & McNeil
HB 318	Protect NC Workers Act	Cleveland, Millis, Whitmire & Conrad
HB 419	Protect Officers from Retaliation	Conrad, Avila, Dollar & Cotham
HB 443 SB 612	Nondiscrimination in Public Employment	Luebke, Cotham, Glazier & Willingham / Van Duyn & Smith-Ingram
HB 482	Employee Fair Classification Act	Pendleton, Blust, Szoka & Bishop
HB 605	Reduce Unfair Barriers to Public Employment	R. Johnson
HB 612	Ban the Box	Pierce, G. Graham, Willingham & Floyd
HB 616	Local Government Employees Retirement Cost of Living Adjustment	McNeill
HB 666	Worker's Compensation / Firefighters' Presumptive Cancer	Saine, Hardister, Boles & Faircloth
SB 99	Definition of Firefighter	Meredith, Daniel & Newton
SB 576	Fair Competition and Employee Classification Act	Tucker & Stein
SB 694	Employee Misclassification Reform	Newton, Lee & Daniel
SB 697	Industrial Commission / Establish Prescription Drug Fee Schedule	Hise & Pate
Ethics:		
HB 252	Conflict of Interests / Certain Relationships	Glazier, Faircloth, G. Martin & Daughtry
HB 617	Lobbyist Expenditure Reports – Transparency	Cotham & Lewis
SB 664	Study Local Government Contract Lobbyists	Apodaca
Finance:		

Bill #	Bill Description	Primary Sponsors
HB 41 SB 19	Revenue Laws Technical Changes	Howard, Brawley, Lewis & Setzer / Rabon, Rucho & Tillman
HB 128	Referendum for Certain Local Debt	Speciale
HB 168 SB 321	Exempt Builders' Inventory	Hager, Millis, Brody & Collins / Brown, Tucker & Gunn
HB 362	Cities / Business Registration	Faircloth & Brockman
HB 518	County Sales Tax Flexibility	Hunter, Saine, Hanes & Setzer
HB 903	County Tax Flexibility / Municipal Revenue Options	Saine
SB 20 SL 2015-2	Internal Revenue Code Update / Motor Fuels Tax Changes	Rabon, Rucho & Tillman
SB 246	Increase Options for Local Option Sales Tax	Smith
SB 369	Sales Tax Fairness Act	Brown
SB 526	Job Creation and Tax Relief Act	Rucho, Rabon & Tillman
SB 566	Disposition of Minimal Tax Refunds	Tarte
SB 608	Simple and Fair Formula for Sales Tax Distribution	Rucho
SB 700	Limit Sales Tax Refunds to Nonprofits	Wells & Rucho
Legal:		
HB 156 SB 129	Legal Notices / Require Internet Publication	Avila, Malone, Davis & Harrison / Sanderson, Apodaca & Hise
HB 348 SB 550	NC Religious Freedom Restoration Act	Schaffer & Bishop / Daniel, Newton & Soucek
HB 405 SB 433	Property Protection Act	Szoka, Whitmire, Jordan & R. Moore / Rucho, Tucker & B. Jackson
HB 483	Land Use Regulatory Changes	Jordan
SB 394	Preemption Affirmation Act	Tarte
Procurement:		
SB 397	Open & Fair Competition / Water & Wastewater	Sanderson & Rabin
Public Enterprises:		
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Public Records:		
HB 477 SB 516	Law Enforcement Officer Privacy Protection	Malone, Saine, Faircloth & McNeill / Tucker
HB 508	Alarm Registration Information Not a Public Record	S. Martin & Farmer- Butterfield
SB 441	Public Records – E-Mail Disclosure	Clark
SB 485	Law Enforcement Privacy Public Web Sites	Woodard & McKissick
SB 553	Public Records / Access for NC Residents Only	Daniel

Bill #	Bill Description	Primary Sponsors
SB 633	State & Local Government Transparency Act	Brock
SB 699	Protect Law Enforcement Officer Home Address & Other Information	McKissick
Regulatory Reform:		
SB 453	Regulatory Reform Act of 2015	Wade, Brock & B. Jackson
SB 617	Local Government Regulatory Reform	Wade, Brock & B. Jackson
Unemployment Insurance:		
SB 15	Unemployment Insurance Law Changes	Rucho
SB 16	Unemployment Insurance Law Changes	Rucho
ENVIRONMENTAL & PLANNING		
Annexation / Extraterritorial Jurisdiction:		
HB 51	Justice for Rural Citizens Act	Pittman, Speciale & Ford
HB 491	Charlotte / Annexations	Jeter
Building Codes:		
HB 255 SB 324	Building Code Regulatory Reform	Brody, Riddell, Cotham & Watford / Brock, McInnis & Clark
Environmental:		
HB 44 SB 53	Cities/Overgrown Vegetation Notice	Conrad / Krawiec
HB 61	Land Application of Biosolids	Pittman, Ford & Speciale
HB 141	Stormwater Management	Jeter, Cotham, Cunningham, Bradford, Bryan, Carney, Earle & R. Moore
HB 157 SL 2015-1	Amend Environmental Laws	McElraft & Catlin
HB 304 SB 320	Revisions to Outdoor Advertising Laws	Hager, Collins, J. Bell & Hanes / Brown, Rabon & Tarte
HB 440 SB 363	Expand Outdoor Food Service at Public Events	Setzer / Hartsell
HB 576	Amend Environmental Laws – 1	McElraft
HB 593	Amend Environmental Laws – 2	McElraft
HB 613	Clarify Political Sign Ordinance Authority	Brawley
HB 634	Stormwater / Built Upon Area Clarification	Torbett
SB 66	Amend Environmental Laws	Brock, Cook & Wade
SB 552	Sedimentation Control / Civil Penalty Reforms	Daniel
Planning & Zoning:		
HB 36 SB 25	Zoning / Design & Aesthetic Controls	Dollar, Brawley, Jordan & Glazier / Gunn, Apodaca & Tarte
HB 201	Zoning Changes / Citizen Input	Stam, Goodman, Jackson & Fraley

Bill #	Bill Description	Primary Sponsors
HB 548	Zoning / Modernize & Reorganize	Bishop, Stam, Bryan & Hamilton
HB 739	Repeal Business License Fees	Brawley
SB 285	Zoning / Protest Petition Changes	Woodard, Foushee & McKissick
SB 300	Zoning Changes / Majority Rule	Wells, Lee & Smith
INFRASTRUCTURE		
General:		
HB 268	Amend Transportation Laws	Iler, Torbett, Shepard & Tine
HB 551	DOT Sales of Unused Property	Brawley, Iler, Adams & Bishop
Finance:		
HB 203	Phaseout of Fuel Tax	Jeter, Dobson, B. Brown & Szoka
SB 188	Adjust Cap on Turnpike Projects	Rabon, Meredith & Ford
SB 284	Special Assessments for Critical Infrastructure Needs Act	Hartsell
SB 500	NC Infrastructure Development Act	Stein
SB 639	Transportation Funding Bill	Tarte
Planning:		
HB 74	Study Metropolitan Planning Organization and Rural Planning Organization Oversight	Floyd
HB 183	Repeal Map Act	R. Brown, Conrad, Lambeth & Watford
HB 721	Subdivision Ordinance / Land Development Changes	Bryan, Stam, Bishop & Bradford
SB 364	Map Act Revisions	Rabon, Meredith & Ford
SB 373	Repeal Map Act	Krawiec, Daniel & Wells
SB 396	Limit Number of Studies by Metropolitan Planning Organizations and Rural Planning Organizations	Tarte
SB 689	Public Infrastructure Oversight Commission	Hartsell
PUBLIC SAFETY		
General:		
HB 7	Autocycle Definition and Regulation	Torbett
HB 148	Insurance Required for Mopeds	Shepherd, R. Brown, Waddell & Adams
HB 193 SB 613	Prohibit Discriminatory Profiling	R. Moore, Brockman, Farmer-Butterfield & Meyer / McKissick & Bryant
HB 328	Highway Safety / Citizens Protection Act	Warren, B. Brown, Collins & Jordan
HB 530 SB 442	Local Government / Inspections of Buildings and Structures (aka Rental Registration)	Brawley / Gunn, Ford & Wade
Animal Control:		

Bill #	Bill Description	Primary Sponsors
HB 159	Regulate Commercial Dog Breeders	Saine, McGrady, Catlin, & Harrison
HB 271	Amend Dangerous Dog Law	R. Moore, Alexander, Lucas & Tine
HB 460	Reporting of Animal Incidents	Warren
HB 553	Ordinances Regulating Animals	McGrady, Whitmire, Langdon & Dixon
HB 554	Protect Public from Dangerous Wild Animals	McGrady, Hurley, Hardister & Saine
SB 314	Reform Abandoned Livestock Procedures	Woodard & McKissick
Criminal Law:		
HB 173	Omnibus Crime Control Bill (Part XIII contains amendments to NC Street Gang Nuisance Abatement Act)	Stam, Faircloth, Glazier & Turner
HB 449	Strengthen Law Enforcement Access/Domestic Violence Crimes	R. Moore, Fisher & Alexander
HB 479	Auto Salvage Dealer Protection Act	Pittman, Speciale, Ford & Saine
SB 520	Amend Indecent Exposure Law	B. Jackson
HB 552	Graffiti Vandalism	McGrady, Glazier, B. Brown & J. Bell
HB 565	Threaten Law Enforcement Officer or Correctional Officer	Faircloth, McNeill, Hurley & G. Graham
SB 310	Domestic Violence / Bail & Aggravating Factor	Daniel & Stein
SB 391	Enjoin Street Gang / Expires in Three Years	Tarte
SB 432	Electronic Pawn and Metals Database	Randleman
Firearms:		
HB 562	Amend Firearms Laws	Schaffer, Burr, Cleveland & Faircloth
HB 563	Strengthen Firearms Background Checks	Schaffer, Faircloth, Burr & Cleveland
SB 78	Off-Duty Correctional Officers / Concealed and Carry	Randleman, Daniel & Newton
SB 212	Handgun Standards for Retired Sworn Law Enforcement Officers	Tillman
SB 708	Homeland Security Patriot Act	Tarte & Rabin
Technology:		
HB 4	Clarify Unmanned Aircraft System Law	Torbett
HB 395	Body and Dashboard Cameras / Law Enforcement	Alexander, Brockman, Floyd & Hanes
HB 506	911 Fund Distribution	Boles
HB 512	Amend/Clarify Back-up PSAP Requirements	S. Martin, Steinburg, Saine & B. Brown
HB 537	Protect Law Enforcement and Community Relationships	Hanes, Alexander, Jeter & Saine

Bill #	Bill Description	Primary Sponsors
SB 182	Automatic License Plate Readers	McKissick, Barefoot & Daniel
SB 414	Regulate Transportation Network Services	McKissick, Meredith & Rabon
HB 680 SB 541	Regulate Transportation Network Companies	Brawley, Bradford, Saine & Hanes / Rabon
HB 713	Body and Dash Cam Recordings / Public Access	Faircloth, Daughtry, Boles & Hurley
SB 567	Regulate Transportation Network Companies	Tarte
SB 571	Expand Uses of 911 Fee	Bryant, J. Davis & Foushee
SB 622	Unmanned Aircraft Systems / No Law Enforcement Officer Surveillance of Private Property	Krawiec



Charlotte City Council
Housing and Neighborhood Development Committee
Summary
February 25, 2015

COMMITTEE AGENDA TOPICS

- I. **FY2016 Housing & Neighborhood Development Focus Area Plan (Action Required)**
- II. **Charlotte-Mecklenburg Coalition for Housing Name Change (No Action Required)**

COMMITTEE INFORMATION

Council Members Present: Patsy Kinsey, Al Austin, John Autry, LaWana Mayfield

Staff Resources: Ann Wall, Assistant City Manager
Pamela Wideman, Deputy Director, Neighborhood & Business Services
Anna Schleunes, Senior Assistant City Attorney

Meeting Duration: 12:00 PM – 12:35 PM

ATTACHMENTS

1. Agenda Packet – February 25, 2015
2. Handouts – FY2016 2nd Draft Focus Area Plan

DISCUSSION HIGHLIGHTS

Kinsey: Called the meeting to order and introductions of attendees. There is one item for action, approving the Housing & Neighborhood Development Focus Area Plan and one informational item regarding the Housing Coalition name change.

FY2016 Housing & Neighborhood Development Focus Area Plan

Wall: We reviewed the discussion the Committee had at the last meeting and made some additions to the Focus Area Plan (FAP). At this time, I will turn it over to Pamela Wideman to walk through the revised FAP.

Wideman: You will see the changes in red. Overall, we corrected the tense. We did some work on the first key indicator, *Correct 90% of nuisance violations within 30 days*. The goal is to make sure that 90% of our violations are either self-corrected or corrected through Code Enforcement within 30 days. The Committee talked about strengthening some of the ordinances that will be in addition to this.

Under the second initiative, there was good conversation about the Committee's role in terms of small business in neighborhoods. We know that Economic Development has a role in that, but there was discussion about not forgetting about the smaller neighborhood businesses along the corridor. We generally try to do a 1:10 ratio with our business corridor funds, like our façade infrastructure grant. You may remember that several months ago we talked about the geography for the business district program. That is a smaller program for something similar to a strip shopping center within the corridors. We want to take a closer look at programs that support small businesses along the corridors and could really affect our neighborhoods.

The last thing we talked about was *Promoting internet access in all neighborhoods*. We want to do more than assist. It is not just about Google, it is for whoever is providing internet access. We want everyone who wants to have an opportunity to have access to internet.

For the third initiative, we added *geographical dispersion*. This might be redundant, but we thought it was important to add because you want to provide diverse housing options throughout the city.

The last initiative is around *economic mobility*. You will remember that this is a new initiative. Once you have access to internet, how do we work with our partners to ensure that those who want the internet have access to devices and know how to use the device? This is all with the idea of leading to economic mobility.

Mayfield: As we move forward, and not to be added to our FAP, I was speaking with a developer about the locational policy and having wiggle room around how to strengthen the policy. We are seeing a lot of great development around the City, but it is leaning more to high market rate. We need to have those conversations so that we can identify more opportunities and strongly encourage more workforce and mixed-income housing.

Wideman: Just to clarify, are you speaking about having more conversations with market rate developers to include workforce housing to create that mix of income levels?

Mayfield: Conversations for all housing developments to be diversifying our housing stock in multi-family and single-family.

Wideman: I will remind us that we do speak to that a little bit, but your point is well taken. Council approved the density bonus program a couple of years ago. To date the number of developer inquiries for those programs has increased, but because the program is still

new, we have not realized any developments as a result of the program. We have those programs, but how do we make people more aware that they could qualify for a density bonus?

Kinsey: Have I heard we had one developer that has looked into this?

Wideman: At mid-year, we had six inquiries, but have not realized anything on the ground. It is still new and it is a voluntary inclusion program.

Autry: Do other peer municipalities have requirements for a percentage along transit corridors or at transit stations? Hard requirements like 5% of a development must be workforce housing.

Wideman: In cities that have mandatory inclusionary housing, they do have policies. We do not have the legislation to that here. Raleigh does not have anything mandatory, but are thinking about how to get workforce affordable housing along the transit they are planning.

Autry: What about Asheville or Minneapolis? Do they have anything?

Wideman: I do not know if it is mandatory, but I can find out for you.

Austin: Davidson had something and I do not know if it was successful.

Wideman: You are correct; they have a mandatory program. They are currently facing a challenge and do not know if they will be successful. The City of Chapel Hill has a program, but to my knowledge, they have not had a suit filed against them. It will be interesting to see how Davidson fares.

Kinsey: I think it would be interesting to monitor what is going on in Raleigh. If they can figure out a way to do it, obviously we should be able to piggyback and maybe it is going to legislature with them.

MOTION: Council member Austin made motion to approve the 2016 Housing & Neighborhood Development Strategic Focus Plan. Motion seconded by Council member Mayfield. Vote: Unanimous (4-0)

Charlotte Mecklenburg Coalition for Housing

Wideman: Charlotte Mecklenburg Coalition for Housing (CMCH) is a joint City-County board. They are appointed to implement the 10-Year Plan to End and Prevent Homelessness. There are 19 members, with three of them as ex-officio (Neighborhood & Business Services Director, Charlotte Housing Authority Director, and someone from the County). During recent meetings, they have discussed changing their name, but not changing their scope. They would like the name to better reflect the work they are doing in the community. There are a lot of boards and organizations with the "Charlotte-Mecklenburg" tag. They would like to change their name to the Housing Advisory Board of Charlotte-Mecklenburg. We wanted to get a feel for your appetite for changing the

name. We need to have discussions with the County if you decide it is something you would like to move forward on. No action today, we just want to get your input.

Austin: How did they come up with that name? What was their methodology?

Wideman: This board replaced the Housing Trust Fund Advisory Board. The name and the addition of Charlotte-Mecklenburg was to show the joint partnership.

Kinsey: They tried to simplify it.

Wideman: They wanted some emphasis that this was a joint effort and that the County is participating.

Autry: I would have chosen "advocacy board" instead of "advisory board", but I am ambiguous about the change.

Wideman: They do their work in three committees, Research & Evaluation, Advocacy and a committee that deals with homeless services funding.

Schleunes: I would draw to your attention to the fact that the purpose of the Board is to advise. It is just another advisory boards the City Council and the County Commission have set up jointly. In that regard, advisory is very reflective of their role. Advocacy steps a little beyond, as it is a little bit more your area.

Wideman: Am I hearing you are open to a name change. We will discuss this with our County counterparts and bring a final suggestion back to you.

Meeting adjourned.

City Council

Housing and Neighborhood Development Committee

Wednesday, February 25, 2015

12:00 p.m.

Charlotte-Mecklenburg Government Center

Room – 280

Committee Members:

Patsy Kinsey, Chair
Alvin “Al” Austin, Vice Chair
John Autry
Ed Driggs
LaWana Mayfield

Staff Resource:

Ann Wall, Assistant City Manager
Pamela Wideman, Assistant Director, Neighborhood & Business Services

AGENDA

I. FY2016 Housing & Neighborhood Development Focus Area Plan (Action Required)

Staff will continue the discussion of the FY2016 Housing & Neighborhood Development Focus Area Plan (FAP) and request adoption by the Committee. The FAP will then be forwarded to the City Council for adoption along with the other strategic focus area plans during a March or April City Council meeting.

II. Charlotte-Mecklenburg Coalition for Housing Name Change (No Action Required)

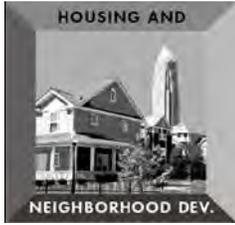
The Charlotte-Mecklenburg Coalition for Housing is a community based advisory board appointed by Mayor, City Council and Board of County Commissioners and three ex-officio members. The principle functions of this Board are to ensure implementation of the 10-Year Plan to End and Prevent Homelessness which is mandated by HUD. The Committee will be asked to consider a name change for the Charlotte-Mecklenburg Coalition for Housing Committee to better reflect their work in the community.

Distribution:

Mayor/Council
Ron Carlee, City Manager
City Executive Team
Corporate Communications
Anna Schleunes- City Attorney’s Office
Charlotte-Mecklenburg Coalition
for Housing

Holly Eskridge
Randy Harrington
Phyllis Heath
Fulton Meachem
Fred Dodson
Julie Porter
Kim Graham
Chief Rodney Monroe

Willie Ratchford
Ledger Morrissette
Patrick Mumford
Pamela Wideman
Tom Warshauer



Housing & Neighborhood Development FY2016 **2ndDRAFT** Strategic Focus Area Plan

“The City of Charlotte will sustain and create distinct and diverse neighborhoods for residents of all ages.”

The City’s long-term health and vitality are dependent on a built environment offering diverse housing options, vibrant commercial corridors, and access to safe public amenities.

The City’s housing and neighborhood strategy focuses on preserving and creating neighborhoods and amenities that allow people to reach their full potential by creating places where:

- People and businesses are safe,
- Civic infrastructure supports neighborhood quality of life, and
- Families have access to quality affordable housing, education, jobs, and services.

FY2016 Initiatives	Key Indicators
Preserve and create healthy, vibrant, and distinct neighborhoods	<ul style="list-style-type: none"> • Correct 90% of nuisance violations within 30 days • Assist neighborhoods in developing and implementing strategic plans during annual neighborhood board retreats, neighborhood matching grants, and other partnerships • Continue implementing the Comprehensive Neighborhood Improvement Program as outlined in the Community Investment Plan
Coordinate public/private partnership investments to attract the amenities neighborhoods need	<ul style="list-style-type: none"> • Continue implementing the 2014 Community Investment Plan projects • Leverage public/private investments and support of small business within the business corridors through the use of the Community Investment Plan and Business Corridor funds • Promote internet access in all neighborhoods
Market housing programs to achieve geographical dispersion of diverse housing options throughout the City	<ul style="list-style-type: none"> • Increase number of developer inquiries and approvals for the new voluntary single and multi-family density bonus programs • Allocate Housing Trust Fund dollars to developments consistent with Housing Policy goals • Continue implementation of the Ten-Year Plan to End and Prevent Homelessness initiatives
Utilize the Quality of Life Study and open data to inform and guide strategic neighborhood investments and programs	<ul style="list-style-type: none"> • Use the Quality of Life data to: <ul style="list-style-type: none"> - Assess Neighborhood Profile Areas, - Enhance and develop programs in partnership with neighborhoods and community organizations, and - Develop Neighborhood Profile Areas composites to develop programs to assist with common reoccurring neighborhood issues • Support neighborhood organizations in setting and meeting neighborhood improvement goals through the annual board retreats and the Service Area Teams • Engage neighborhoods to identify and prioritize projects within the Comprehensive Neighborhood Improvement Program
Support partners and programs that enhance opportunity for economic mobility	<ul style="list-style-type: none"> • Support quality out of school time for youth from low income families • Support youth connections to mentors, work, and community • Support projects and programs that address the digital divide • Engage organizations to provide apprenticeships, mentoring relationships, and work experiences

*2nd Draft revision are noted in red.

COMMITTEE AGENDA TOPICS

- I. **Subject: Meeting Schedule for April 2nd**
- II. **Subject: Business Investment Grant Update**
Action: Staff will provide the Committee with a review of the Business Investment Grant Program and a list of improvement areas for discussion. No action required.
- III. **FY2016 ED Strategic Focus Area Plan Discussion**
Action: Staff will propose items for recommendation to add or amend the FY2016 Economic Development & Global Competitiveness Focus Area Plan including revisions discussed from February 19th meeting, and if ready, make a recommendation to the full Council for adoption at a future business meeting.

COMMITTEE INFORMATION

Present: Michael Barnes, Vi Lyles, Al Austin, Claire Fallon and LaWana Mayfield
Time: 12:00p.m. – 1:40p.m.

ATTACHMENTS

1. FY2016 1st Draft Strategic Focus Area Plan
2. Business Investment Grant Program Presentation
3. Charlotte-Mecklenburg Business Investment Program

DISCUSSION HIGHLIGHTS

Chairman Barnes welcomed everybody to the March 5th meeting of the Charlotte City Council Economic Development & Global Competitiveness Committee. We have these three key agenda items today. We will begin with the introductions.

Barnes: The first item on our agenda concerns something we dealt with last year and that being the April 2nd meeting. I will let Deputy Manager Kimble talk about that.

I. **Meeting Schedule for April 2nd**

Kimble: The annual meeting of the Foundation For the Carolinas is on April 2nd from about 11:45 until 1:30 or 1:45 and last year we had the same issue that we had an Economic Development & Global Competitiveness Committee meeting scheduled for the same time and you chose to move the meeting time for the purposes of allowing people to attend the Foundation For the Carolinas luncheon if they

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desired to do so. We have noticed the same calendar conflict this year and would ask the Committee what you would like to do given that potential conflict?

Barnes: Do you guys want to ask staff to poll us to see if another time works that day or do you want to go to another day?

Kimble: I would note that Good Friday is Friday April 3rd, the day after your scheduled meeting time. Angela Grier has given me the Council Calendar of committee meetings and there is not a meeting on Wednesday, April 1st if you want to move the day, but also you would be available to move the meeting time on April 2nd if that is what you chose to do as well.

Barnes: Any thoughts from the Committee?

Fallon: To move the meeting time. The luncheon is what time?

Kimble: I think the luncheon is 11:45 to 1:45; it falls in that two-hour timeframe.

Fallon: Could we have a meeting at 3:00?

Barnes: How about 2:30?

Fallon: Will we get back in time?

Lyles: Yes.

Barnes: Isn't it at the Convention Center?

Lyles: It is usually there and they usually have a pretty strict, like if it is going to be an hour and a half.

Kimble: They will be out of there by 1:45 or 1:50 and everybody back to work by 2:00pm.

Barnes: So 2:30pm works?

Kimble: You want to vote that?

Barnes: No, by consent we will agree.

Kimble: We will do so at 2:30pm on April 2nd. Thank you for handling that item so quickly.

II. Business Investment Grant Program

Barnes: The second item is the Business Investment Grant Program. As the Committee recalls, we have been making commentary for months now about a couple of key issues, the local jobs being

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recruited and hired here, claw-back provisions and other elements of the program. We welcome Mr. Cronin back to talk about that so we can figure out a strategy to move forward.

Cronin: Thank you and good afternoon. You are correct; we have been compiling several different items to which we need to consider addressing as it relates to using this particular Business Investment Grant Program. Before I get into the list of some of those items, I want to do a quick overview to revisit and also in your packets is a copy of the guidelines that we provide, look to companies that are looking to invest here but also to the general public as it relates to the current policy guidelines.

The program itself was created back in 1998 in partnership with the County; we have one third and they have two thirds of the actual incentive because of the property tax structure. It's based on the amount of new property tax generated because of either a new business moving into the area or competitive expansion where a business is looking to expand here or perhaps another location. It's often used for a match to the State programs like the North Carolina One Program and even with the proposed legislation for this year they are looking at something similar to the match for JDIG's as well so it is still very important to have that local program. Some of the eligible clusters that we had identified years ago were manufacturing, headquarters, logistics, emerging technologies, financial services and back room professional services. The categories are basic standard for 20 jobs at \$3 million, a large impact grant at 150 jobs or \$30 million and then the major headquarters grant which is for those Fortune 1000 companies that are paying at double the average prevailing wage.

Last year in calendar year 2014, we had 23 competitive recruitment expansion projects which requested the Business Investment Grants, a summary letter from us of what they might be eligible for. Of the 23, five resulted in actual agreements that landed here within the city. The total of those five grants was \$12,427,697 of property tax reimbursements leveraging \$178,700,000 of private investment and creating over 2,500 jobs.

Barnes: Let's talk about something right there Mr. Cronin. One, there were 18 projects that weren't funded. Could you talk briefly about some of the reasons why they did not materialize?

Cronin: Again, some of them didn't happen at all and I think that is important to mention that some of these projects just did not land anywhere. A company is considering looking, they see what's out there and the project either is still out there and has not located or they just decided not to pursue the project.

Barnes: Also with the five that were done, one of the things that I think the general public views a little differently is that we did not give them \$12 million; they invested money in business personal property and got reimbursements for those investments.

Cronin: Exactly.

Barnes: And it is based upon the value they create; it's not money coming out of the General Fund or if I'm wrong tell me.

Cronin: No, that is exactly right.

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Barnes: We are not striking a check out of the General Fund to them.

Mumford: You are correct, but it is also a portion of the dollars they have paid, not 100% of those dollars.

Barnes: Right, so there is a net positive to the City and to the County after they have invested?

Cronin: In every one of those.

Barnes: And in last year the private sector investment was \$178 million?

Cronin: That is correct.

Fallon: Did any of them not come because we didn't give grants?

Cronin: Of the ones that we provided the estimates to, no. If we provided an estimate to them and we took them through to the agreement process, those five landed here. If the decision was made to locate elsewhere, to not pursue the project all that happened in between that.

Fallon: So the grants are the most instrumental part of relocating?

Cronin: Not necessarily and I think that's important to mention; this is one of many tools in our toolbox. We have a great product here as we know; things like workforce, geographic location, quality of life, those factors should be the first thing that companies consider. Sometimes it is to be closer to one of their suppliers or customers. Going back to why incentives are used, quite often is to if one site is perfect and one site maybe has some blemishes or is not of the same quality, incentives can be used to equalize that.

Fallon: So the grant really is the snap that finishes the job?

Cronin: I'm not sure if that is a technical term, but yes, snap can get you over the edge; that is correct.

Austin: Of the five agreements, how many of them were expansion and how many of them were new companies coming in?

Cronin: Of this last year, I believe they were all new companies coming in.

Austin: And did they have any expansions?

Cronin: Well, we just did Frito Lay just a couple weeks ago. Electrolux would have been an expansion as well.

Austin: Was Avid Exchange one as well?

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Kimble: They have a presence here of a small number of jobs and they therefore expanded inside Charlotte.

Austin: What is the threshold that you would receive dollars for expansions?

Cronin: For the basic program, you've got the \$3 million for base. The standard is \$3 million of new capital investment; it doesn't include land that is already on the books, that is personal and real property.

Mumford: If I might add to that because that question gets us to one of the issues we face. Sometimes corporate relocations to Charlotte entail going into existing buildings and it may not be manufacturing, it is a lot of equipment. Really the up fit costs, the renovations of the buildings and some furniture and computer equipment goes in so not a whole lot of capital sometimes for those situations where real high dollar jobs are coming and we are seeing that as a challenge because again the basis of this grant program is on property taxes that are paid.

Fallon: It is refitting the buildings and putting all that electrical stuff that they do, raising the floors.

Mumford: Raising the floors, building offices, conference rooms; it is all interior work.

Fallon: And that's what the grants are given for too?

Mumford: Correct because those are investments that the company makes that go on the books and then the County assesses the value of that and property taxes are paid on that improvement.

Mayfield: We have identified our agreement and that is 2,553 new jobs. Are we cross referencing the job creation that we are contributing to with our unemployment rate? At the end of the day, I think for a lot of us the end goal is to get citizens employed and not necessarily have a lot of new people moving into the area and we are attacking our unemployment rate with this job creation. Are we looking at that?

Cronin: To be able to compare the two to see where you've made a difference, because when a company commits to creating those jobs, those are over the next three years or in case of an existing business or headquarters over five years where those are forward commitments and the unemployment rate of course is looking back so it is difficult to be able to match those looking back without taking into consideration all of the different grants that we've done since 1998 and then correlate that to the years previous unemployment rates if that makes sense.

Mayfield: It seems like we should be able to do it a ten-year snapshot of those previous grants and what if any to identify, okay who locally are getting access to the jobs opposed to the jobs coming in that ten-year snapshot if we haven't done it previously is something we really need to consider doing moving forward so that we can tell the citizens yes, we are using your tax dollars to help create these incentives, even though it is coming back to property taxes, but here is the benefit to the local community. Out of this in this ten-year period people that were already living within the City limits, this number has been able to achieve jobs, either though working with Charlotte Works or through the

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Chamber and the job fairs. We should have a tracking mechanism and if we don't currently, we should really consider creating one so that we can give this information to the community.

Cronin: Yes, showing where we could move the needle forward, keeping in mind that the net new jobs created, if for example somebody is to leave the community and relocate where you see that dip in employment because of that it would not necessarily be a reflection of how well we did on the recruitment side using these incentives. We could recruit lots and lots of companies using the incentives as a tool only to have one big company leave and then it would not show an accurate reflection of how those incentives impacted the unemployment rate unless we only look at net new jobs to the area.

Mumford: An answer to the question is yes, we will look at that. There are lots of challenges in tracking that kind of data. I would add too, that it's important for us to see the indirect job benefits as well. If you take a Siemens, real big manufacturing organization; there are multiples of jobs that were supported to support that organization so the Siemens jobs are one thing. All the suppliers and people that get products to the company and services to the company also benefited from them relocating. We will talk about that a little bit later.

Cronin: That is in one of the slides as well.

Mayfield: Thank you.

Austin: To kind of follow in that trend of thought with Ms. Mayfield, how many of the five have agreed to hire locally?

Cronin: They have all been encouraged to hire locally; there has not been a mandate saying they had to hire locally.

Austin: Our recent one Lance, they agreed to hire locally right?

Mumford: Frito Lay; but they offered to do that, it was not a contractual obligation or something we said they must do.

Austin: I'm sorry it wasn't Lance. I was recently out there today for a sponsorship. So none of them had agreed to hire locally?

Cronin: In that case of Frito Lay, they did it voluntarily.

Mayfield: An additional piggy back on Mr. Austin, I know when I had the conversation because Frito Lay does sit in District 3, I expressed the fact that local hires would be my preference just as I did with the Charlotte Premier Outlet and we negotiated and had a local job fair here. It may not be mandated, but when they know that there is clear support from not only staff but Council that the interest is in local hires then from my experience so far in this short period of time, our partners in the corporate world understand that that is something that is important to us. It's already been proven on the ground that if we say we want it, it can happen so even with the Premier Outlet that created 1,500 jobs, there are numerous people that I know personally and indirectly that live within the area

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that gained employment out there from management down to the sales positions and working in different positions and the same thing with the conversation with Frito Lay and their commitment of looking at local hires. We can have the conversation; they just need to know we are serious about it from both staff side and from the elected body side.

Fallon: I don't know if you can mandate that legally can you?

Kimble: That would be a question that our attorneys would have to answer and they would need to look into it, but strongly encourage is what we are doing now from staff and from Council, so can you move beyond that is the question.

Fallon: When a corporation leaves and they are leaving some, do we have anything in place where we can help those employees get other jobs here?

Cronin: Yes, the company when they leave or layoff they have to provide a WARN notice which goes to the State and a courtesy copy is sent to the Mayor. Our office gets a copy and then also Charlotte Works gets a copy as well.

Mumford: Can you tell them what WARN is?

Cronin: Yes, it is a reduction notice letting people know that they are officially planning to lay off employees.

Fallon: And we help them get other jobs?

Cronin: It triggers the ability for the local Workforce Development Organization, in our case Charlotte Works and the NC Work Force Solutions.

Fallon: Do they keep some kind of a roster of businesses that are here and looking for people that we can kind of move people over and say there are open jobs here and can you get in touch with them?

Mumford: We do not keep a roster of that; that would be a huge effort and literally changes every day so we have to rely on our friends at the Chamber to give us an indication of what is going on. The day to day and every single corporation or company in town, we do not have a list.

Fallon: Do they get in touch with us when they do need a number of people?

Cronin: They ought to but they don't.

Lyles: Ms. Fallon, I think that charge is really to the North Carolina Employment Commission and they actually have a huge database and a part of all of this work with Charlotte Works. When you go in there is a computer there and all the jobs that are generally posted across the state and Charlotte is there. I think they actually have proven to be and in their last report to us they said as these companies are coming in they are being replaced; that they are getting most of our folks that are laid off the opportunity to interview with them. It's not the chronically unemployed but the unemployed

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through layoffs are really getting a huge response from the Business Investment Grants if I remember their report to the Council; they are making that work.

Cronin: While we are talking about incentives, one of the other incentives at the State level news is that workforce training for new companies coming in and lots of time they will offer job fairs as well to help them with that new employer and show them what their new work labor force can look like. Before I leave this slide, the projects of the 23, 13 came from our partners at the Chamber and ten from the State. These are all worked in the spirit of partnership.

Four of those five projects focused with the final site selection within the Business Improvement Zone and that will be important as we talk about addressing the different items that the laundry list of items that we have to address with the incentive program, not all of them always looking at that Business Improvement Zone.

Lyles: Again one of the challenges with that, I think the Chair has asked what the challenges are for some of these others, but what is the challenge in the site selection within in the Business Improvement Zone?

Cronin: It could be something as simple as the price of the property that they are looking at and they've got something that maybe works better financially for them elsewhere, maybe logistically, maybe they want to be closer to a supplier that is somewhere else. There are a number of things that a company is looking at when they choose in that location.

Mumford: Additionally it is the type of company so if it is manufacturing that is different than MetLife's office.

Lyles: So the challenges are not fixable from our end if we want more in the Business Improvement Zone we are going to have to figure out more of an attraction. It is not like something on our end that is not there for them, it is all those external factors so if we want to really see a difference here we have to do something.

Mumford: Correct.

Barnes: Let me follow-up on that. Are the four projects that you mentioned there part of the five? You said only four projects so it is almost like fortunately four of the five.

Cronin: Yes sir.

Barnes: Also, I would imagine that businesses look at Ballantyne, uptown, University Research Park, Westinghouse Boulevard, Steele Creek right, and of course the geography we are talking about goes beyond those areas to some extent. I'm saying that to say that we shouldn't necessarily beat ourselves up because people may not want to necessarily be outside of those few areas that I just described for logistical reasons. But if there are things that we can do, for example, if Sealed Air had decided to set up shop at Eastland that would have been fantastic. It's within the zone and it is not one of the areas I just mentioned that everyone else seems to be attracted to and I know we are not

Economic Development & Global Competitiveness Committee
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talking about that particular use of Eastland, but to get it outside of the typical landing spots it would be great to have that.

Lyles: I think one of the issues as we designated those employment zones and set up zoning and set up infrastructure 20 years ago and so they pay off; you have to actually ask yourself is it time to add, that is really what I was getting to, is it time to add another employment zone, if I can remember this Westinghouse, SouthPark, Ballantyne, University, but it is one of those questions that every now and again you ought to go back and say, hey look we've been extremely successful in some of them is there an opportunity for another or should there be.

Barnes: I agree with you; now can I ask the question of, Natalie if you would join us. In your experience at the Chamber can you talk to us about what you hear businesses saying about where they want to be in Charlotte and why and their reaction to our desire to have them hire people locally? The Deputy Manager and I have talked about Austin's experience in saying hire locally and how businesses react to that. Could you talk to us about your experience there?

Natalie English, Charlotte Chamber: Yes I can. On where they want to locate, it depends on the type of business, but all of them want to locate somewhere where the facilities are ready to move in basically. They don't want to move somewhere where they have to wait for another one to be constructed and then outfitted for them so the product is really, really important and in most of these zones there is not a lot of product that is attractive so that is a problem. That is mostly private developer issue and yet there are partnerships and opportunities and I think the current Community Investment Plan speaks to some of that and I'm excited about that. As it pertains to any kind of mandate on companies, when they see that a community has an expectation that goes along with an incentive, they are less excited about that.

Barnes: One of our State Senators, I believe, made a statement last week about the State using its money to attract jobs to the State and then those companies just bring people here. He was saying the same thing some of us have been saying and he was in the majority there too. I wondered is an issue of education, finding educated workforce having remedial training is it something that we can actually do something about or is it a K-12 State Legislature type issue that we are going to have to deal with over a generation.

English: Again I don't think there is a silver bullet answer to the question; I think that certainly in some industries it is about whether there is a workforce product available and that training and education is an issue, but for the most part, the salary dictates whether a company is going to spend the money to relocate somebody. When you are talking about hundreds of jobs at \$50,000 it is not cost effective for the company to move people for that salary. They are going to hire people locally and if it is a CFO and a headquarters company then it is not cost effective to train a new person to do that work.

Barnes: That is a good point.

Austin: You referenced Austin so what happened in Austin?

Kimble: We gave the article I think to this Committee the last time around.

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Mumford: Right, we shared an article six months ago out of the Austin Business Journal that said basically what Natalie had mentioned that as the Austin City Council added more and more demands on what the company must provide, hire local, do this, do that, people said it was chasing businesses away. So there is a balance between the incentive and putting too many ornaments on the tree and having it be too onerous in the minds of the business.

Austin: Just curious, what other mandates were they asking for?

Mumford: The tipping point of that one if I remember this correctly was a mandate of hiring local. I'm not saying that in and of its self was it but that was probably one of many things.

Kimble: We will reproduce that article at the next meeting.

Cronin: Just a comment from my own background in the business and several locations on the site selection side, it is a rule of thumb that I've always asked my team to consider when you are out there in this competitive environment, the first goal is inclusion that you want to be included in giving a look form these companies that they want to come and take a look at your community and then the second goal is once you are included, you are in the game is to differentiate and show why you are better. Sometimes you don't get included if you try to differentiate before you get included to the point it makes it really easy for a site consultant or a company to say my job is to make this list smaller and you are too hard to work with so I'm just going to cut you and not even give you the chance to look. There is that competitive aspect and while we are having these discussions we can't always do it in a vacuum.

Austin: In your experience cities encourage philanthropic support locally?

Cronin: Yes and especially for headquarters type companies whereas the leadership will be involved and engaged in the community, maybe not so much for the back office or manufacturing whereas the President or CEO and their family are not living in the community.

Austin: Let me go a little bit further; money to organizations in the community.

Cronin: Encourage involvement and they usually if it is a company that is large enough to move they've already got some of their philanthropies in mind, but you do show them what you have here, not a mandate.

Kimble: It was probably pre-recession; this is probably pre 2008, this Committee asked City staff and Chamber staff to get their heads together and draft a statement about what we jointly feel the expectations of new employers to this community; what is the Charlotte way, what do we expect of those corporations and I think we still might use it today that we should give back to the Committee as well because it's talking points about what we expect of corporations and philanthropy is on that; that we are a very giving community, we want to find ways to have you plugged into the community and we will allow you to be plugged in and we will invite you into several different arenas and venues to talk to you about what is expected. Participation in the public processes, boards and commissions for the City of Charlotte and Mecklenburg County, it was a talking list of the expectations so we've

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gone through that exercise but it has probably been seven or eight years ago, but we will use that with corporations to talk with them about the Charlotte Mecklenburg County way.

Barnes: Let me follow-up on that and ask you this question; without naming any names have you found any companies we approved in the last five years to have an inclination to ... and not really be in engaged? Without naming names but have you struck on one that they are here but they don't really to do much?

Lyles: By the time Natalie messes with them they are like whatever you want.

English: I can't think of one.

Kimble: If that were to happen we would not leave them alone.

Barnes: If a business looking at Charlotte will say we want to be near the interstates, we want to be near the Airport, we want to have access to a lower cost of living and lower cost of HR overhead; do they come to you and say we want access to your educated pockets?

English: Absolutely.

Barnes: In other words, is there a distinctive advantage we have there and can we make that stronger?

English: Absolutely and in one instance just after the economic downturn, we saw a significant increase in the number of financial services projects because we had a workforce that was already trained; they had their job and that was one example, but we are also well known for some our manufacturing and advanced manufacturing skill sets and training programs so there are other examples that aren't coming to my mind on the spot, but yes, and we do market those.

Mumford: Back to the earlier conversation on those items that we encourage, that list of items is in our contracts with companies so it is pointed out. And to the issue of training, CPCC has really stepped up and they are doing a great job with unique training programs that are specifically focused on certain types of manufacturing and the days of somebody not graduating from high school or just graduating from high school and going to get a job in manufacturing are over. Everything is so high tech and so that education piece is critical going forward for any job.

Barnes: To that point I've heard Dr. Zeiss say that if a large enough company wants to come to Charlotte he will create a program to make sure he trains.

Cronin: That is correct; that is part of that State program and it is part of the Workforce Training and it is not only can be customized, but if that expertise is somewhere else in the State, they will bring them here and develop that curriculum here and even help them with a temporary location for that training if they are waiting for the facility to be built. It is very attractive.

Barnes: Thank you Ms. English.

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Mumford: Ms. English reminded me, it is not just CPCC; UNC-Charlotte is also in the game. I didn't mean to suggest it was just CPCC.

Cronin: One of the things that we are talking about today is that we had some estimates that are provided on projects that didn't meet the average wage criteria but had exceptions due to the fact they exceeded their specific industry wage and that is one of the items in the long list of things to address. We occasionally do have some that is well paying within their industry but it is still below our current average wage. This is the only incentive tool that the City and the County has as far as a discretionary incentive to deploy. I think in one of the more recent sessions we've had the remarks made we were trying to do a lot with that one tool whether it be a project that is intensive with capital investment or a lot of jobs or high wages, they are all different. For example, we may have a project that has high wages as Mr. Mumford mentioned that may not necessarily have much capital investment, but maybe as many as 1,000 jobs paying \$150,000. This tool doesn't always fit for things like that and I mention that because we are trying to a lot of things with this one program.

You asked about the breakdown for last year, there are some of the actual companies that this is the active grant pipeline, meaning grants that we are currently paying out right now going back from the beginning so a lot of them have sense fully matured but currently we have 29 that are active with a total commitment from the City in those reimbursed property taxes of \$17.5 million. Just in last tax year, those active projects held \$933 million of taxable assets in our community and that generated \$4.3 million in net annual property tax to the City, \$7.6 million to the County.

Mayfield: Mr. Chair you probably had this conversation at some point for the time that you've been on Council; when you look at that breakdown of tax year and the taxes generated net annual for the City being \$4.3 million and \$7.6 million to the County, I have asked before and I ask again about us having conversations about the County coming to the table with more money when we are looking at grants because when you are looking at the breakdown of how much the City is asked for when we do Business Investment Grants and the amount contribution if you look at it percentage wise or however way the City ends of being the main carrier of a lot of the grants that we create, but when you look at the tax revenue coming back, just because of our tax structure the taxes that is being paid back to the County is different.

Barnes: I thought it was two-thirds on both sides.

Mayfield: It is two-thirds on both sides, but when you look at that tax the reimbursement and the impact of what the County is receiving back in those taxes for their two-thirds opposed to what the City is receiving back in its two-thirds that still opens the door for me. Nothing is ever going to happen because the system is what it is, but when you look at both making the same investment but when the return comes in, if I was getting back \$7.6 million for my two-thirds investment and you were getting back \$4.3 million for your two-thirds investment, I'm thinking you are going to pull me aside and have a conversation if we had a business deal where when it came time to see the incentives from that deal, the difference that I'm receiving opposed to what you are receiving.

Mumford: It is the same proportion coming out as it is going in. The tax structure for every dollar of property taxes a company pays essentially \$.67 of that is the County and \$.33 is the City and so the County on the front end on the grant payment is paying two-thirds of the grant payment and

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therefore the net amount of taxes for the community, they get two-thirds of the net amount and we get one-third so it is the same proportionally. They are putting in twice as much pay out of the grant and therefore they are getting twice as much on the benefit on the back end. We feel it is about as fair and equal as it can be and frankly we couldn't do much at all without the County. Our one-third is just not that much money in the eyes of businesses so to have the County at the table with their horsepower is extremely beneficial.

Mayfield: Thank you for that because that was a question I had.

Lyles: I really like the net annual property tax being shown. I'm wondering about, do you track the net new jobs? Let's just say we've got new full-time jobs required, is there an opportunity to track net from those 29 organizations or does that work?

Mumford: Can you tell us a little more on your net new jobs?

Lyles: Let's say I come in and I have 100 people and I promises I'm going to do these jobs and they are at one level but on the other hand I reduce my workforce in other ways, so for applying to the grant, when you look and you say we are going to create these jobs there is a contract for doing that. Is that holding them to just that contract requirement or is it an overall requirement for their workforce, perhaps countywide?

Cronin: When we agree to a grant there is a job creation schedule that is given to them that says and it is mutually agreed upon schedule so in year one, you will create X number of jobs, year two X number of jobs. Each year when they come and ask for reimbursement based on the property taxes they paid the year before, they also are providing us with those jobs numbers so a baseline is set at the beginning and so it is a total number of jobs that they are looking at.

Lyles: O.k.

Mumford: But it gets a little complicated because Frito Lay for instance has jobs here, they are adding some jobs, they also are going through a transition, they are improving their efficiencies in their organization so there may be another division that is going to have headcount loss. The jobs that we incented are what we track so it is really difficult for us to look an entire organization corporate lay to determine all of their jobs. We are focusing on the specific ones, the salary rates at which they committed. We understand the question, it is real tough and we've been working with the Chamber to try to figure out losses and gains so we get that net number. It is a real tough thing to do and we understand the importance of it.

Lyles: Yes, it is the net, not the total.

Cronin: As we looked at the list of different things that have come up with these conversations both with Council and with our partners, and with companies, we found that the majority of those items fell under three main areas; those that are related to policy, those that are related to the administration of the program and those that are related to the company. Items related to the policy, I'm going to list them and if needed expand on some of them as we go through them. It is a lengthy list and at the end of this presentation there is slide with next steps so we will get to that as well. The items

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related to policy include, for example, the identification of committed job levels. It is a nice Segway from Ms. Lyles' comment on what is our committed job level from the company and currently there is an 80% tolerance for job creation shortage. That is something that is not in line with other people's incentive programs but we currently have that and that is something we may want to consider addressing.

Mumford: I would like to add more to that because it is often times confusing to us. The notion is that a company will commit to 100 jobs and that is in the contract. Over a five-year period the world changes quite a bit and so what we want to make sure is that we were sensitive to those changing dynamics in the economy. If company came back and said gosh, we have 99 jobs. They didn't just totally miss incentives so in the contract we have to build ... it can be up to 80% of those jobs so if they came in with 81 jobs they still met the criteria. We have been going back and forth saying why do we do that, why don't we just go ahead and bake in that number in the beginning and just have a number so that is what that line item suggests.

Fallon: Didn't we also approve jobs with salaries that were below what we wanted but they were the kind of jobs that we needed for starting people and for people that didn't have the advanced education and we needed those blue color jobs too?

Cronin: What we used in those exceptions was if they exceeded that industry sector's rate, not necessarily the average prevailing rate of the MSA.

Mumford: Also some of these jobs; Sealed Air has a whole bunch of jobs; they are not all at the corporate executive level so that is why we've begun to show you when we bring these forward that breakdown of where are the jobs in the lower pay scale and the higher pay scale because many companies do address that lower pay scale but you wouldn't know it when you just see the average wage number.

Cronin: The next item has to do with eligibility criteria grant levels for projects that are perhaps job intense and for capital intense and have been referenced in an example whereas a company had over 1,000 jobs, very high paying jobs but may have very little capital investment. The tool that we currently have is not that useful for them because again we are using the capital investment and the taxes the property taxes created as a means to use for the incentive. That is again something we may want to take a look at and see if there is another way to try to help those types of companies because they are high wage jobs.

Mumford: On the other side and we've heard about this throughout the State, big data centers, huge capital investments, they need two people literally, and then the job count is really low but you are receiving an awful lot of property taxes. Those kinds of things don't quite fit into this either.

Cronin: The third bullet here is we could have a whole session on this but dealing with future mergers and acquisitions. We've had some experience in that area and they say hindsight is 20/20 but we do need to prepare for what we do in a situation where there is a merger acquisition. Alignment with the State's requirements and I think this is important if we are working with a project and can combine the two incentive programs, the local and the State program, making sure that we are in sync. We are not always in sync and one of the examples I'll provide is for an existing company. We offer five-year

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grants for existing, expanding businesses. In the case of a recent application with Frito Lay the job creation was in the latter part of those five years. Because the job creation was not within years one to three they were not eligible for State incentives because their window is three years. An incentive cap on the per job amount, is that something that we've heard in Closed Session of what is the dollar amount per job that we are looking at and with Mr. Mumford's example of a data center, if we were to incent a data center that had one or two jobs it would be off the chart, so something for consideration.

Local hiring requirement; this item and the next item get into the earlier conversation of can we mandate local hiring, can we encourage local hiring, how can we build that into the contract beyond what we have done thus far. Secondly, using MWSBE companies in the construction process. If we know there is a construction aspect to the project can we either mandate or encourage that they use our local minority firms for that construction?

Lyles: To me that is one of those that feels like their identification of committed job levels. You had just said like if we say 100 is it 100 or is there some range because of the dynamics? To me both of those, that top bullet has that same kind of what do you do because dynamics change and how do you figure that out? It's just something like we don't want to set up something that we've just said in the other respect we want to create opportunity.

Cronin: And put potential flexibility.

Lyles: Yes flexibility.

Cronin: Also in the second item on construction those construction jobs are not part of the jobs that the company has agreed to create in the process of the incentive. The incentives are based on the W-2's that those companies create, not the third party that's building so that takes on another dynamic as well.

Barnes: Let me ask you about a recent example then with Sealed Air; did they make a commitment to use MWSBE's as part of their project?

Cronin: I don't think so.

Mumford: No, it is not in our standard contract.

Barnes: Do we even make the suggestion to companies like that? I get that it is not currently the policy but is there just any general sort of encouragement by the Chamber, by our people?

Kimble: I think what we are hitting on is maybe we need to update that list that we have to strongly encourage that.

Barnes: I just wondered if anyone was doing it voluntarily.

Lyles: I bet it is more likely to be what the corporate policy is versus the relocation that deprived that decision. A lot of major corporations have those policies and I don't know if Sealed Air has one, but it

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is kind of along those things that if we don't do it we are taking a risk on who does do it versus what we can encourage.

Barnes: Most of them will say that in their value statements and so forth.

Lyles: Some report it in their actual public reporting documents and some of those are required, depending on the kind of company it is so financial services you usually see it. I'm not so sure on hospitality and technology.

Fallon: What you are saying is basically the company can deal with that but if they are building a building, they don't have to go to the builder or contractor and say we would like so many small business and minority people working on it too?

Cronin: Currently they do not have that.

Fallon: In other works it is only them directly not the indirectly.

Cronin: Voluntarily.

Austin: Do we have any mechanism that will at least notify the Minority Contractors Association about potentiality of any of these companies that maybe they could be proactive in that regard? If we find out something is coming here, a way of notifying you and your associates maybe you guys could reach out on your end and be proactive on that end. I'm trying to take it in another direction since we can't require it and that it backs us out from being competitive, is there anything that we can do to try to encourage? Okay, we've got this deal.

Cronin: There probably is something we could do; we'd have to take a look.

Austin: I'm just trying to think from your end can you guys get more engaged in people who are coming here?

Cronin: When a company, especially on a new build or new construction, they've already engaged someone to start giving them some estimates and they've got something in mind. There's a good chance that they've already gotten that general architectural firm or design firm in mind already that somebody could approach them in the process. But again, we don't have that mechanism now but it is something we could look at in the timing of it, but when that conversation takes place, once they've committed.

Barnes: So as a part of the package of information that these companies receive from the City from the Chamber, could there not be a first one or two pages that would say here is a list of MWSBE's in Charlotte and organizations that are affiliated with other SBE's and MWSBE's so the companies who value that sort of participation will know? They can't use the excuse and say well we didn't know. Here is a list of companies you could use if you want to. Here's the point; a lot of small businesses and minority businesses struggle because they don't get a chance to look at a deal. They don't know about it so what Mr. Austin is saying is at least making companies aware that there are resources in the community that could help them connect with MWSBE's in a friendly way, not any mandatory way.

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Again as a part of their culture they are going to want to take advantage of it anyway, if it is not, they won't but for the benefit of the businesses in Charlotte it would be great to at least have these companies aware of resources they could take advantage of and then potentially give these local small businesses a chance to give back. That is why I asked about Sealed Air, they haven't started yet? We saw the site on our tour but they haven't started and I'm sure they are signing contracts and subs and everything else is going on as we speak, electricians, plumbers, concrete; there is all kinds of businesses that can participate and I'm sure in New Jersey they had to do something to incorporate minority businesses in their work up there so I think it would be great if we could reach out to Sealed Air and say listen as you are preparing your work here are some resources that you guys may want to take advantage of locally to help our MWSBE's in Charlotte.

Fallon: We could say we encourage.

Mayfield: So we are thinking about that this is more a question based on earlier comments; are we afraid when we are having these discussions with these grants to have in our contract that outside of just encouraging our minority goals whether we have 2%, 5% or 7% goal, we are looking at the contract and through Charlotte INclusion we already know what minority companies we have that can fill some of these jobs. Is there trepidation about saying on the front end, okay here's an idea of the jobs that we know about and on our end to actively work with our minority business owners to let them know, these are coming up, if we aren't going to be able to tell the development community that here are the ones we want you to reach out to, are we actively reaching out to all of our minority businesses, not just one or two to say this is what is coming down the pipe and here are opportunities so they can already be in the pipeline for it. That way it is not putting the responsibility on the business to say here is our expectation or suit on demand, but we are putting the responsibility on us if we are really trying to grow these small businesses and let them know we, City/County just approved this grant, here is a major development deal that is coming up and this is what is going to be required so have it, opposed to them having to find out a month or two later and by then reality is you've already identified all the people based on relationships that you know to have do your development, so by the time a minority small business comes to the table, what they are getting is that 2% to 5% whereas this other company got 40% of the project.

Cronin: Is the question to add that welcome package into the agreement?

Mayfield: No, the question is for staff if we have Charlotte Business INclusion for our responsibility to be, when Council and the County have made their agreements and that contract is signed and we know that this deal is going forward then we then reach out to our minority businesses to let them know this has been approved just like the Chamber and Charlotte Regional Partnership. They send a constant update of new businesses; we should be sending our minority businesses an update of this is what we just signed a contract with and the City is giving money to. Here are some opportunities for you.

Barnes: We are going to tie this together.

Mumford: I was going to tie that together with yes.

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Barnes: At the end of this presentation are a list of next steps and what I'm hearing the Committee say is we'd like this to be a next step regardless of what is on this last line. We know Ms. Rosado has a list; I'm sure it is a growing list, the Chamber sure has a DNC list, Wells Fargo had a cultural list and that list is somewhere and I'm sure it has been updated in some fashion so those lists are there and I think we are talking about two things; one it is to give to the next Sealed Air the list of vendors, potential SBE and MWSBE vendors and also to let our local MWSBE's know that we have approved this work. This is where you guys come in as our professional staff, making sure we are not creating false expectations because they got that list that they've got the contract.

Mumford: So my yes, is about timing. There are a couple different conversations. The way I see it potentially playing out one scenario could be when we are talking to the businesses in that negotiation phase we ask what are your construction needs; we have this program in Charlotte, what is your corporate approach to that, we would really like to engage our MWSBE community in those opportunities so we've already teed it up, but to your point it is well taken. We don't want to establish a false expectation in the community either so until you all raise your hand and say yes we approve this and the company commits to coming we wouldn't probably engage the MWSBE community, but we would have already gotten earlier in the heads of the company so they are out procuring without that knowledge, so it is really a two-step process.

Barnes: Everybody that comes to Charlotte is going to hire one of the three companies to do their work and we all who the companies are. I don't know what those larges ones that we are all thinking about do in terms of helping local small businesses so that is a good step.

Cronin: Another consideration is for phased investment and job creation; an example I will say when you are looking at someone for a direct investment that comes into our City, usually you are looking at two, six or ten jobs of a new company that has used Charlotte as that landing party for their first step into the United States and this market. When they get ready to grow at 100 jobs then in order for us to be able to be involved with them in a competitive grant process, they have to go look somewhere else and say they are looking somewhere else because now it's competitive and it has to be competitive once they are here already. It would be much more useful if we had a program to actually work with them when they first get here so that they don't have to go look when they get to that 100 jobs. Something that would have some phased investment and just working with the Chamber this morning on a project that doesn't fit our criteria but we know that the company will grow once they get here and the last thing we want is for them to go looking just to be competitive to come back and say well I've got 100 jobs now by way I'm here already, but I've got to go look somewhere else.

Barnes: I'm sure we will be open to your recommendations. Are you speaking in part about like an EB5-type entity?

Cronin: It could be any of those. A lot of the activity that we have on the international side, the foreign direct investment is not EB5, it is companies that are starting out with a small sales office as their first step into our market and we know that they are going to grow eventually, but they don't quite fit into our three to five year windows.

Barnes: Related to the Chamber's China trip?

Fallon: So how do we correct that? Right now it has to be competitive, how do we correct that?

Cronin: That is what we are asking if as part of the next steps to take a harder look at that and see if in fact there is a way to maybe phase those into longer periods of time that they don't have to go out and look somewhere else when they are ready to make that next big step.

Mayfield: So are these recommendations at the end, do we need a motion and vote in order for staff to know that yes we support that or are you telling us this is what we are getting ready to start doing?

Mumford: These are not recommendations so these are discussion points of things we've seen over the course of the last year in deals bringing them forward, have this conversation and get direction from you as to which ones you would like us to then research further and then bring back with recommendations.

Barnes: You've heard us being open to and wanting more of all four of these.

Kimble: Most all of these have been born out of conversations when specific grants come to you in Closed Session and you say well, let's put that on our future list to talk about, well this is the future list.

Fallon: We don't have to advertise; I see New York State is that they come here, you are going to get all kinds of incentives, you are going to get tax free, we want you here and they are very fancy, very good ads. Are we allowed to advertise like that?

Cronin: We do through the partnerships with our partners with the Charlotte Regional Partnership and with the Chamber. That is where we able to get that; the rest of the world just sees us as Charlotte.

Barnes: I was going to say so probably in New York I'm seeing the Charlotte ad.

Fallon: I thought they were very hard hitting and very attractive. In other words we are not going to give you any problem, just come.

Cronin: Right, that might be our new motto. The last one of course the claw-back period alignment with the grant period in terms of the payback so right now the claw-back period is if the grant is three-years the claw-back is three years. If the grant is five-years the claw-back is five-years. We've had in the most recent one that we voted on we had an 11-year and year 11 is when that cost recovery again we were still receiving taxes that we would not have otherwise received, but to get to 100% took us to that next year and the question is do we align those for the fact that it's all new, do we continue to just enjoy what we are getting. Does that make sense?

Barnes: I think it does so would the banana split for example. We all wanted to get our money back as quickly as possible because that deal is unusual, number one and number two they were here for like three years instead of ten.

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Mumford: It is interesting on these and even through a company may leave, for instance that particular company that you referenced; the investment is still in that building. The obligation to pay the property taxes is still there so we are still receiving that benefit, not the jobs benefit, but the financial benefit we are receiving. It's just a different way to look at that claw-back. If we extend the job requirement for the same period as our payback period then there is an obligation for them to give the money.

Barnes: Once they take the desk and the computers and all of that out that taxable property is done.

Mumford: The real property improvements to the building are there and then somebody comes in rips all of that out, have to write that off somehow some way, but yes, the equipment is on a shorter life span anyway from a depreciation standpoint. When they remove that they take that with them then they are no longer paying personal property taxes, but the fixed investment in the building remains. That is one example, a bigger example is somebody builds an entire manufacturing plant and they decide to leave, that plant they are not going to take with them. They may take a couple of pieces of equipment, but by large the investment remains.

Barnes: So when the banana people leave, they've improved seven or eight floors or whatever the number is, they don't own the building, they are leasing the space and I don't know the relationship between the landlord and that former tenant. Who does pay the business personal property tax?

Mumford: So that tenant would pay those property taxes.

Barnes: Then they are gone and the rooms are empty.

Mumford: Whoever comes back in and takes ownership of those assets.

Lyles: The taxes on the building are what they are, the differentiation is the business property; they were paying that property tax in their lease, but the owner still has to pay the property taxes.

Mumford: That is right.

Cronin: In the case that you sighted, there probably would not have been a very large business improvement grant because it would just be on that personal property. It is not the building because the building is already on the tax rolls for somebody else paying it so the only thing they would have been eligible for would be those capital improvements that they made and the personal property.

Barnes: One lesson learned there is if anyone asks us for moving expenses, no.

Lyles: My questions was on the claw-back period alignment with the grant period and right now everything is the same, but I think what I hear you asking for is the flexibility based upon the business to be able to look at whether the jobs, the personal property, or business property versus the property taxes. Is that what you are looking at in this bullet?

Mumford: We are just raising a different way to look at this; the payout periods, we put \$100 in how long does it take for us to get the \$100 back. What we are finding is sometimes it takes longer than

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the grant period and typically our claw-backs are connected to the grant period; three-year grant period and a three-year claw-back. If the payback is six years then we have this risk that we are in this last three years with no claw-back provision. We are not suggesting that this is the right way to do it, it is just a different way to slice it and we want to be able to look at that and see if it protects our interest more and reduces our risk.

Lyles: So the principle for all of this is protecting our interest so if it is six years and we can only get it for three that wouldn't be in our best interest.

Mumford: Potentially, if the company stayed and grew it wouldn't matter.

Lyles: So the claw-back would be to protect us if it were the opposite of that?

Mumford: Correct.

Lyles: I think I understand it now.

Cronin: Items related to the administration of the program exceptions, how we handle exceptions; do we have a mechanism in which we bring exceptions to the Council in Closed Session, what kind of exceptions. We cited those that were average wages or wages below average wage and were above industry, but are there other exceptions and how do we bring those to you is the question. The timing of the incentive offer; this one has more to do with salesmanship. Do we, for example provide an offer to someone who just calls us without visiting; they haven't looked at a site and we are speculating that they may take that and use us as a stalking horse with another community. At what point in the process do we offer the incentive in the sales process? Another item is the decision making and reporting methodology and Pat touched on this earlier, currently we are only measuring direct impacts and a lot of the conversation had to do with direct job creation and direct capital investment by the company. We have not been using induced impacts or the multiplier impacts; I think the example was Siemens and the amount of business that comes from a company like that. Do we want to start measuring that? There are models out there like implant and ... which are well known industry models to be able to measure that secondary impact or are we okay continuing just to look at that direct impact without the other part of the picture.

Barnes: I think the former and I'll tell you why. Again using Sealed Air as the most recent example; they are going to bring 1,215 or so people, car sales, home sales, realtors, doctors; they are going to need all those business, they are going to need accountants, architects, but they are going to need all the things that people need and want when they come to a city. If it is possible to roll that into a model I think it would help the Council when we see it. It may apply to some of the bigger ones, Frito Lay it may not work there but Electrolux, Siemens, Sealed Air it may work well there.

Fallon: I'm always explaining to people when they say why are you giving incentives. People buy homes, they buy furniture, they buy food, they pay taxes, they buy cars, these are all things that are pending on that business coming here because it creates other incentive businesses and it raises all taxes and it is not just the jobs they are bringing here, it is what all the intended services that go with it that makes this place work. I'm always explaining that because you get why are you giving incentives, stop the incentives, it is a waste of money, but it is not and it also brings people here that

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add to our society which is very important to us. The everyday people that get involved into new organizations and they will display and that people do not see because it is not a direct development. I think it would be very good for us to show all those intended things that these jobs do bring and I can stop explaining to the south side.

Barnes: On that issue though with MetLife, for example, I've heard that a number of the \$200,000 plus per year people that they brought or hired live in Union County or South Carolina, which is not necessarily our desire but it may be just be a part of the situation, these private companies do get public money and some of their higher paid people decided to live in Weddington because they want two acres and horses and that kind of thing. I say that to say that it may be up to us as elected officials to acknowledge that that is going to happen and you say it is a part of doing business.

Fallon: It happens everywhere.

Lyles: I agree with you and I tell people all the time the children of Chester County deserve some property tax dollars with the location of that plant so I think it is a regional impact, those folks that are getting that money in Chester County they are going to shop, they are going to travel through so I agree with that point. I wanted to ask specifically around the decision making and the reporting. I like the reporting and understand that; I'm not sure that I would link it to my decision making. The decision making is really, really tough and I also am concerned about our decision making be aligned with the State, the Chamber, the Regional Partnership and having that done so I don't know how that works but I think information is great, being able to have a real clear understanding so that we are not like well all of a sudden I see I'm going to get a new subdivision, how does that influence the job component? I get it but I'm just wondering if we – I like understanding and I'm not so sure that it would be the criteria, so help me understand that better.

Mumford: The linkage there for us was the methodology on the front end was to look at a broader economic impact. We need to be able to report that at some point too. We made a decision based on these characteristics and we need to be able to determine whether that really happens. That was what that connection was and we used to do this, we used to have one of these programs that Bill mentioned, the numbers came back to look so robust people said oh, that is just ridiculous, that can't be the impact. This is not an exact science that we will know what every single individual family will spend each year; there are some assumptions that go into it, these are some broad numbers so we do want to talk through that with you around the expectation of the exactness of these numbers.

Kimble: Because they will be challenged.

Lyles: And I agree with that, sometimes we talk about it in terms of that versus what I would look at is perhaps what was required within the geography around it so a lot of times you get these numbers that are about households, purchase, furniture, influence, but I wonder sometimes if there is a more narrow definition of the scope that would actually help us be more informed and I don't know the answer to that. I did some work with one of the Mooresville big companies and they actually had suppliers that they required to be, it is almost like a hospital, the Dr. had to live no more than 30 minutes from the hospital and the major company required their suppliers to be within a certain mileage of their location. That is a very factual base kind of criteria versus some of the others that you get when you just buy the program off the shelf. I don't know if they are out there that way but I

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think those help us the more we can be data that isn't as economic indicators that people don't believe and more definitive around that.

Cronin: I think there is maybe an easier approach would be to include both in the decision making so that you see what that direct impact is and then what the induced or secondary multiplier impact is and as Pat mentioned, if it looks like it is just to robust then you have the ability to just look back at that direct impact and see if it still makes sense to vote on it.

Consideration of other tax credit programs, that is basically just looking at where, for example if we've got a brownfield tax program how does that layer upon each other. Do they get credits for the same year or is that double dipping, do we stagger them based on when those credits get credited against property tax so we will take a hard look at how those are deployed.

Related to company; due diligence; whose responsibility is it, if it comes from the State, from the Chamber, from ourselves, from the County and to what level of due diligence are we talking about.

Lyles: That is one of those other measures, did you bring your in-laws with you.

Cronin: The competitiveness of the project, this is kind of a sticky one; this is determining the but for of the project, how competitive is it. Are they just saying they are going to go to another location.

Barnes: To that issue, we know that the State actually has that provision in their contract and we do not. Should we add it?

Cronin: We do have a provision that they have to be competitive.

Barnes: Do we have a provision that says if it is not but for?

Cronin: We do.

Mumford: There is some additional opportunity to align more exact way.

Cronin: The requirement for the company or an agent of the company to speak directly to ED staff before we extend an offer. I think that resonates well that we are being good stewards of the taxpayer's dollars, but it also gets into those other issues that we mentioned in terms of where are you in the construction process, would you be amenable to working with a local firm and those types of things.

Next Steps – Our Business Advisory Committee has indicated they would like to also be involved in this. They are of course the City's committee as Council-appointed and they are looking for some work to do as well as it relates to providing advice to the Economic Development Department. The County is also in the process of extending an offer to an Economic Development Director that should be on board by April. They would like to be part of this conversation but they would like to wait until that person is on board so that they could actually contribute as well based on their experience.

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Barnes: My reaction to this slide is that you particularly have a lot of chefs in the kitchen and we are the ones paying the tab. I understand the County being involved with what we are doing but I like the work we've done as a Committee on this issue just in the last 90 minutes.

Cronin: O.k.

Barnes: The question I have for the Committee is if we go to BAC and to the State, do we run the risk of or have the potential for a thousand bits of feedback coming back that we have to figure out how to sort through once again and incorporate or do we just work with our key partner here or maybe two but primarily the County and the Economic Development Office of the State as necessary. What I'm trying to say is do we want to focus on working with the County?

Fallon: We don't want to make it the County.

Lyles: I actually do think it is important to talk to the State about this. I think what I would differentiate is that we should not talk to the State in the context of statewide policies without an urban commitment. To me, I wouldn't go to the State, it is not an open book conversation, it is about being we are an urban community, we are doing this within our context, where do we work together well. I think the Committee, we as a Council need to know where we have alignment and where we are not because knowing what you don't have is sometimes just as important as what you do have. I actually think the site selection consultant focus group is your call. It is like this is the advice, how do you get the expertise that you need to come back. I guess what I'm saying overall is I believe that this is the beginning and you've got to flesh this out and to do it in a way that we make sure that we are not having an overlap that we miss something or that we both miss a challenge or an opportunity. I think including the State and the economic development and I don't know the role of the City's Business Advisory Committee; I don't know enough about that to comment, but I think the others are really important.

Barnes: To refine that further, what I'm suggesting is working with the County and you guys know the County wants to have more role in this stuff, working with John Lassiter and those guys and determining the alignments that exist between and among the three of us. I like the things that you all brought back today and what I'm suggesting is I don't want to lose that by having the BAC give us 50 recommendations and you get 50 other recommendations from here and there and it turns into a big soup that we can't digest.

Mumford: Our intent to this was to not make it messy for you all but just for us to be able to test some of these things with people that are in business and how does it land on them. Some of these folks could participate in this program; they may have participated in other cities in programs like this. It is not to suggest that hey Council is going down this path, where else do you all want to go, it is more of here is the constrained conversation, there is really a good group of people you all have appointed to this committee; they really want to have something material to do and this feels as an appropriate thing as an advisory committee to say hey this is a body of work moving through the Council Committee and ultimately the Council, would love to get your input. Entrepreneurs are in there, so that was the intent, not to make it messy but to help us be more inclusive and participative in the process in the community and that group exists today.

Barnes: I can live with that.

Lyles: I do think it is about what you tell them what you are asking them for and you are asking them for more or are you asking them for information about what you are considering. I think what you are saying is the latter.

Austin: I have to leave for another meeting.

Barnes: Are you okay with having the BAC, the State and the County?

Austin: Yes.

Mayfield: As long as we are leading the conversation because I understand such with the County, they are still new coming into this economic development piece and I don't want things to get watered down or muddy in the process. Yes, they need to have someone at the table because they are contributing as well as benefiting from it but at the end of the day for me, we have the expertise on our side so as long as we continue to lead the conversations and we don't get too far ahead, staff doesn't get to far ahead of Council to keep the elected body updated, I'm fine with it.

Fallon: Who is going to take care of the business with all the rules and all the licenses because that it is what I hear from business people constantly; it is so hard to do business in Charlotte. Weren't we supposed to be taking care of some of that and who was doing that?

Lyles: I think if you are referring to the permitting process we are moving very, very quickly and it is in the Transportation and Planning Committee for review. I had a meeting with Ann Wall this week about the work that's being done and I think the other Committee will have an update around where are we going. Now my understanding is the report is out, they are going back and talking to the customer so all of the developers and there are different categories whether it is the homeowner, whether it is the major developer, getting their feedback and we are going to get back and hear from that, but that project is a long way; now it has some big challenges and that is not to say the one the automation is a challenge, the culture is a challenge and there is a final thing, knowing what we are trying to fix and making a difference. I'm not saying it is easy, but it is on its way.

III. FY2016 ED Strategic Focus Area Plan Discussion

Kimble: We have a suggestion on your last item; you've gone a long time today and on the Focus Area Plan we've given you the draft; you have two more meetings, you've got March 19th and April 2nd before you get to your half-day retreat on the Focus Area Plans so we would suggesting reading this at your leisure and we are going to be bringing it back again on March 19th.

Lyles: I did read it and the bullet under the FY16 initiatives, introduce young adults to employment opportunities, I do want to see if we have a number of work experience and summer internships, community partnerships, the next bullet, leverage to increase the number of apprenticeships in the community; I wonder if we can actually, to get between that bridge I'm not quite sure but I would really like to see the partners come back with programs that specifically address how the metric is going to be achieved. I don't know that we've gotten that; we had the report from a number of people

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but when we talked to Charlotte Works it was really around kind of tying to the investment grants versus the apprenticeship programs and Central Piedmont has stepped up and I know a lot is going on but if you asked me to be able to describe how we are doing that, I would not be able to do that. This is something that the key interest for us.

Cronin: To that point, the original super measure that was created for this was to create an apprenticeship program with CATS we had the 40 students that went through the listening and then the 11 aptitude and the five were selected. What our suggested tweak includes is expanding that now with the partners that you mentioned including the COG to look at a larger more robust apprenticeship program that includes all those partners for young adults for that next generation in the workforce.

Lyles: I get that and that program really requires you to have a certain level of job readiness where we've got high, high unemployment where those folks are not able to participate. I'm real concerned about the number of people where we have these pockets of 20% unemployment and they are not job ready and I don't know that we've got apprenticeship programs in a way that begins with a level that they can go in and get to work just to have I know how to show up for work, I know how to speak to someone at work, I know what a boss is, I know how to complete a form and an application. I understand the apprenticeship and that program and it is fairly high level; I'm really concerned about the program that begins to get people into work at a level that we often don't have jobs for, but they are out there. I don't see that. High unemployment is chronic and how do we get that? Years ago there were jobs programs that the Federal government funded and I know this isn't going to happen, that was in another day but we actually put people to work and helped them be successful and took some of the risk away from the employer. I don't know if we can do that now. I don't even know if that's what the employer would require; they might just say give me a non-risky applicant because they might need people to work right now. We need to figure it out and right now I don't know that we've figured it out.

Mumford: Yes, I hear you and we've talked about this.

Lyles: Yes I know.

Mumford: This doesn't preclude that type of activity; it doesn't call it out specifically. We know that is one of the very rules that we need to address around apprenticeships. This is the challenge with this document, how detailed do we make it and how flexible do we have the language. My thought is, Ms. Lyles, that we can still do what you are seeking, have that accomplished within the context of these words. Now if I'm missing that, if you see something that prohibits this.

Lyles: No, I don't see it but I don't see the statement of acclamation; that is what I don't see. I don't see that stake in the ground that we hear this, we know it and I don't think our public sees it and I think we need real results around that.

Barnes: So our next meeting on March 19th we will follow-up on the Focus Area Plan; we will also get the Business INclusion work. I assume the stakeholders have been meeting and talking, right?

Rosado: Yes and we have a meeting next week.

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Barnes: So we can actually get some substantive feedback. Okay, anything else Mr. Deputy Manager?

Kimble: That is it.

Barnes: Thanks so much for being here.

Meeting adjourned at 1:40 p.m.

City Council
Economic Development & Global Competitiveness Committee

Thursday, March 5, 2015

12:00pm

Charlotte-Mecklenburg Government Center
Room CH-14

Committee Members: Michael Barnes, Chair
Vi Lyles, Vice Chair
Al Austin
Claire Fallon
LaWana Mayfield

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. MEETING SCHEDULE for April 2nd – 5 minutes

II. BUSINESS INVESTMENT GRANT UPDATE – 30 minutes

Staff: Bill Cronin, Neighborhood & Business Services

Action: Staff will provide the Committee with a review of the Business Investment Grant Program and a list of improvement areas for discussion. No action required.

III. FY2016 ED STRATEGIC FOCUS AREA PLAN DISCUSSION - 20 minutes

Staff: Bill Cronin, Neighborhood & Business Services

Action: Staff will propose items for recommendation to add or amend the FY2016 Economic Development & Global Competitiveness Focus Area Plan including revisions discussed from February 19th meeting, and if ready, make a recommendation to the full Council for adoption at a future business meeting.

Attachment: FY2016 1st Draft Focus Area Plan

IV. NEXT DATE: Thursday, March 19, 2015 at Noon, Room CH-14

Potential Topics:

- Charlotte Business INclusion Update
- FY2016 Economic Development & Global Competitiveness Focus Area Plan



Business Investment Grant Program Overview and Discussion

Economic Development & Global
Competitiveness Committee
March 5, 2015



Business Investment Grant Program Program Overview

Business Investment Grant Program

- Created in 1998, in partnership with the County, to encourage the attraction, retention and/or expansion of businesses and jobs.
- Provides grants based upon the amount of new property tax generated by the business.
- Requires companies to meet thresholds for capital investment, new jobs and wages.
- Often used as a required match to State incentives.



Business Investment Grant Program

Program Overview



Business Investment Zone

- Eligible Clusters:
 - Manufacturing
 - Headquarters
 - Logistics
 - Emerging Technologies
 - Financial, Insurance & Professional Services

- Grant Categories:
 - Standard (zone) –20 jobs/\$3MM
 - Large Impact (citywide) -150 jobs/\$30MM
 - Major Headquarters (citywide)- Fortune 1000 /200% of average wage



Business Investment Grant Program

Program Overview

History: BIP in 2014

- 23 competitive business recruitment/expansion projects for which Business Investment Program grants were requested.
- Of the 23 estimates provided to prospective investors, 5 resulted in approved agreements with the City of Charlotte.



Business Investment Grant Program Program Overview

- The total grant value of the 5 agreements was \$12,427,697 of property tax reimbursements leveraging \$178,700,000 of private investment and creating 2,553 new jobs.
- The remaining 18 projects either landed elsewhere or did not happen.
- The projects came to the City through the Chamber of Commerce (13) and the State of NC (10).



Business Investment Grant Program Program Overview

- Only 4 projects focused on final site selection within the Business Improvement Zone.
- There were 3 estimates provided to projects that did not meet area average wage but had consideration as exceptions due to exceeding the specific industry sector wages.



Business Investment Grant Program Program Overview

- The Business Investment Grant program is the only incentive program at the City and County level for competitive projects.
- Projects can have predominant impacts including capital investment, job growth and high-wage salaries. Some impacts have resulted in the request of exceptions.



Business Investment Grant Program Program Performance

Active Grants	
Grant Type	Count
Standard	14
Large	11
HQ Provision	4
Total Grants	29

- **Active Grant Performance:**
 - Total City commitment - \$17.5M
 - New full-time jobs required- 8,899
 - Average City investment per job- \$1,966
 - Electrolux (3 grants) - \$1,927
 - United Technologies - \$3,500
 - Time Warner Cable (3 grants) - \$3,400
 - Black & Decker - \$265
- **For tax year 2014, Active BIP Grantees held \$933M in taxable assets**
 - Generating \$4.3M in net annual property tax revenue to the City and \$7.6M to the County.



Business Investment Grant Program Program Overview

- As the City of Charlotte participates in more competitive projects, we are learning of items needing to be addressed, amended or possibly added to the current Business Improvement Grant policy guidelines.
- Most of these items fall into 3 main areas:
 - Items related to Policy
 - Items related to Administration of program
 - Items related to the Company



Business Investment Grant Program Program Overview

Items related to Policy:

- Identification of committed job levels.
- Differences in eligibility criteria and grant levels for job intensive project and capital intensive projects.
- Future Mergers and Acquisitions.
- Alignment with the State's requirements.
- Incentive cap on per job amount.



Business Investment Grant Program Program Overview

Items related to Policy (continued):

- Local hiring requirement.
- MWSBE participation commitment for construction aspects.
- Consideration for phased investment /job creation for Foreign Direct Investment or start-ups.
- Clawback period alignment with grant payback period.



Business Investment Grant Program Program Overview

Items related to Administration of Program:

- Exceptions.
- Timing of incentive offer.
- Decision making and/or reporting methodology.
- Consideration of other tax credit programs.



Business Investment Grant Program Program Overview

Items related to the Company:

- Due diligence (legal, impending law suites, ethics, corporate citizenship).
- Determination of the competitiveness of a project.
- Requirement that the company or agent speak directly to City ED staff before extending an offer.



Business Investment Grant Program Review Process

Next Steps:

- Include City's Business Advisory Committee and County staff to take a deep dive into these items.
- Share recommendations with NC Economic Development Partnership to ensure alignment with State.
- Share recommendations with site selection consultant focus group for input.
- Bring final recommendations to ED&GC.
- Present to Council at Dinner Briefing.
- Adopt by full Council at Business Meeting.

Charlotte-Mecklenburg Business Investment Program



What is the Business Investment Program (BIP)?

The Business Investment Program (BIP) seeks to encourage the creation, retention and/or expansion of new or existing businesses and jobs in identified Investment Zones within the community. The program provides grants to companies based upon the amount of property tax generated by the private business investment made. The program aligns itself with local Smart Growth, Transit, and the Business Corridor Revitalization Strategic Plans.

Criteria for Evaluating Projects

In making a recommendation for grant approval, the City will consider whether there is demonstrated competition from other cities and whether the company's planned relocation or expansion is a realistic choice given the company's product and market. Criteria will include a certification by company executives that the relocation or expansion is contingent upon receiving local incentives.

Grant recipients will be encouraged to hire residents of Mecklenburg County and to use local small, minority and women owned businesses when such goods or services can be obtained at competitive prices.

Eligible Business Growth Clusters

Companies from the identified business growth clusters that are relocating or expanding to or within the program's geography may be eligible for participation in the program. See Attachment I for a list of eligible business growth clusters.

Eligible Geography

Companies locating in the adopted Business Investment Zone (see Attachment II) will be eligible for participation in the program. The adopted zone includes the following areas:

- Center City
- Business Corridor Revitalization Geography
- Transit Station Areas¹
- Arrowood-Westinghouse Industrial Area²
- University Research Park
- Coliseum/Tyvola Road Area

Additional locations that are consistent with adopted land use policies and plans may also be considered, as well as projects that meet the program's definition of a "Large Economic Impact Project" as defined below.

Grants may also be considered for projects that convert or adaptively reuse vacant "Big Box" retail sites, whether inside or outside the development zone, provided that the planned use is consistent with adopted plans for that area.

¹If an adopted Station Area Plan does not exist, the development zones will extend ¼ mile from transit stations identified in the Major Investment Study.

²Transportation/Distribution and Manufacturing projects only.

Program Guidelines and Requirements

Investment	<p>\$3 million</p> <p><i>Investment is broadly defined as improvements to land and/or buildings, or the purchase or lease of new equipment, or buildings constructed for the qualifying company. Where circumstances warrant, however, Grant calculations may give consideration to the value of leasehold improvements in existing buildings when it can be reasonably demonstrated that the lease will cause additional investment to replace the leased space, or that the lease results in a higher value for the building.</i></p>
Job Creation	<p>20 new jobs; however, manufacturers creating less than 20 new jobs, but at least 10 may be considered for the program with a minimum investment of \$6 million within the Investment Zone.</p>
Wage Rate	<p>Grant recipients must pay an average wage rate for all employees at the investment site equal to or greater than 100% of the average annual wage rate for the Charlotte-Gastonia-Rock Hill M.S.A.</p> <p>Should the projected annual average wage rate be less than the M.S.A. average, the City and County may consider the industry-specific annual average wage rate in making a determination regarding eligibility.</p> <p>The required average annual wage rate may be lowered by up to 20% for those companies that pledge to employ Work First participants and/or residents of the development zone itself in 25% or more of the new job positions.</p>
Terms and Amounts	<p>Grants last for three years and are based upon 90% of new property taxes generated by the investment.</p> <p>Existing businesses within Mecklenburg County are eligible for an additional two year term.</p>
Clawback Provisions	<p>Required investment and employment standards will be set forth in a contractual agreement between the City, County and Grantee. These standards must be maintained throughout the term of the Grant in order for payments to continue. Failure to maintain these levels during the Grant term will result in suspension of Grant payments until such time as the levels are once again met and maintained.</p> <p>Grant recipients that relocate outside of Charlotte during the term of the Grant – or within 3 years after receipt of the final Grant installment – will be required to repay a proportional amount of the Grant.</p>

³All wages are defined by the U.S. Bureau of Labor Statistics Area Occupational Employment and Wage Estimates.

Large Economic Impact Projects

Investment	<p>\$30 million</p> <p><i>Investment is broadly defined as improvements to land and/or buildings, or the purchase or lease of new equipment, or buildings constructed for the qualifying company. Where circumstances warrant, however, Grant calculations may give consideration to the value of leasehold improvements in existing buildings when it can be reasonably demonstrated that the lease will cause additional investment to replace the leased space, or that the lease results in a higher value for the building.</i></p>
Job Creation	<p>150 new jobs; however, some projects may create fewer jobs yet more investment, or higher paying jobs with less investment, or a higher number of jobs with lower average wages, etc. For this reason, such projects could still be considered as a "large economic impact" project.</p>
Wage Rate	<p>Grant recipients must pay an average wage rate for all employees at the investment site equal to or greater than 125% of the average annual wage rate for the Charlotte-Gastonia-Rock Hill M.S.A.³</p> <p>Should the projected annual average wage rate be less than 125% the M.S.A. average, the City and County may consider the industry-specific annual average wage rate in making a determination regarding eligibility.</p> <p>The required average annual wage rate may be lowered by up to 20% for those companies that pledge to employ Work First participants and/or residents of the development zone itself in 25% or more of the new job positions.</p>
Terms and Amounts	<p>Grants last for five years and are based upon either 50% or 90% of new property taxes generated by the investment, dependent upon whether the project locates in the investment zone.</p> <p>Existing businesses within Mecklenburg County are eligible for an additional two year term.</p>
Clawback Provisions	<p>Same provisions as general programs guideline; however, clawback term will be five years instead of three.</p>

Major Headquarters Projects

	<p>Major Headquarters Projects are defined as "a corporate, divisional or regional headquarters of a Fortune 1000 company with an annual average wage that exceeds 200% of the regional average wage³, (currently \$89,200).</p> <p>Grants for such projects will be considered on an individual basis.</p>
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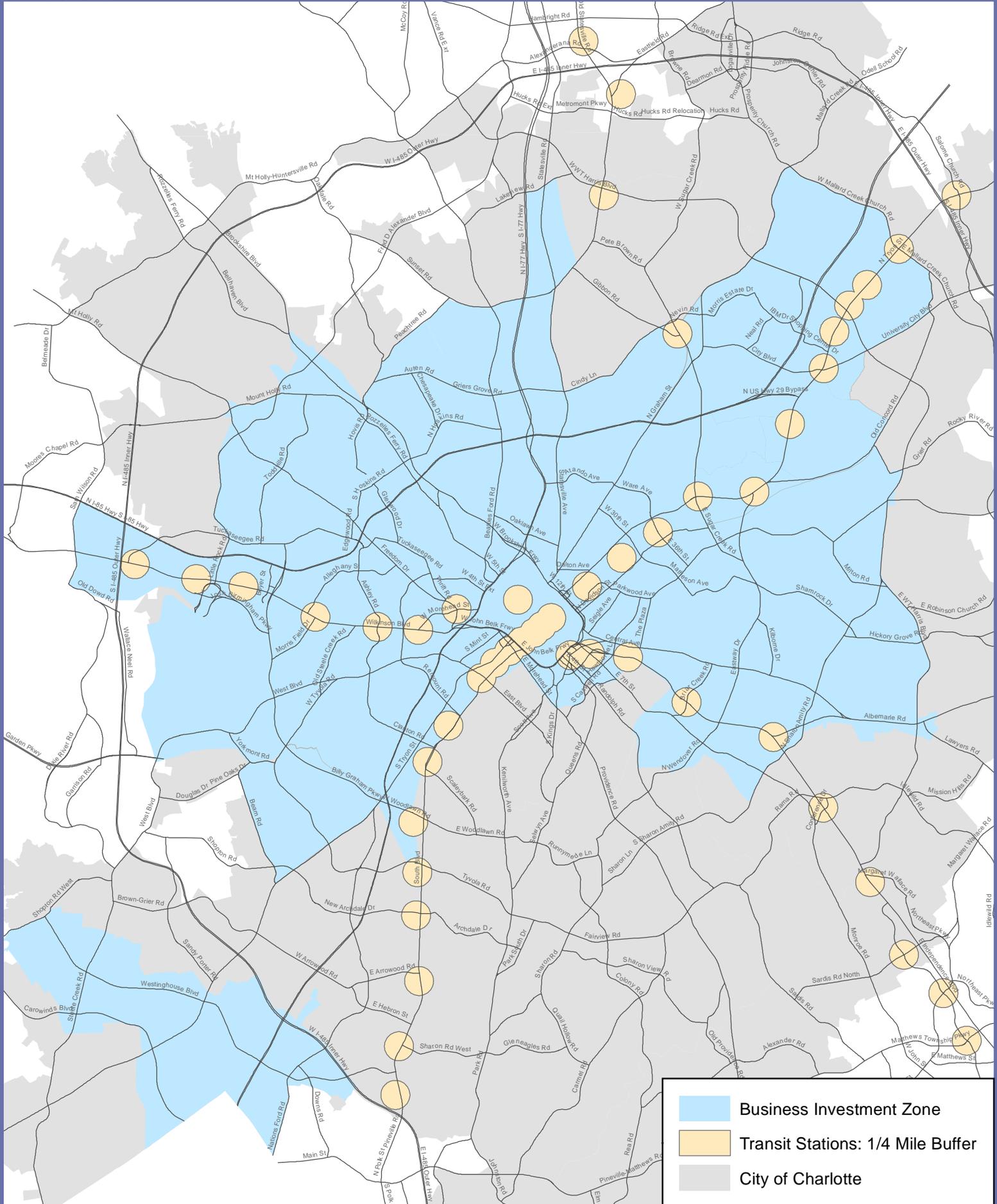
³All wages are defined by the U.S. Bureau of Labor Statistics Area Occupational Employment and Wage Estimates.

ATTACHMENT I

ELIGIBLE BUSINESS CLUSTERS

- **Manufacturing**
 - Includes:
 - Automotive/Transportation Equipment
 - Energy
 - Medical Devices
 - Plastics
 - Metalworking
 - Industrial Machinery
 - Defense & National Security
 - Aerospace
 - Consumer Products and Food Processing
 - Research & Development Facilities
- **Headquarters**
 - Includes:
 - Corporate, Divisional & Regional
- **Transportation/Distribution (Logistics)**
 - Includes:
 - Truck transportation
 - Support activities for transportation
 - Warehousing and storage
- **Financial, Insurance & Professional Services**
 - Includes:
 - Financial investment & related activity
 - Credit intermediation & related activity
 - Insurance carriers & related activity
 - Funds, trusts & other financial vehicles
 - Professional & technical services
 - Software development
 - Back Office Operations
 - Excludes:
 - Law Firms or Accounting Firms, or other professional service companies that predominantly serve the Charlotte region.
- **Emerging Technologies/Industries**
 - Includes:
 - Opto-Electronics
 - Fuel Cells/Alternative Energy
 - Bio-Informatics
 - Film/Video Production Facilities
 - Industries which create synergy with programs of focus at the Charlotte Research Institute or local colleges and universities.

Attachment II Business Investment Zone





Economic Development & Global Competitiveness

FY2016 1st DRAFT Strategic Focus Area Plan

“Charlotte will strengthen its position as a city of prominence in the global marketplace by building upon its competitive advantages.”

To achieve its vision, the City must leverage partnerships to seize new opportunities in a global marketplace. The City’s economic development strategy will focus on:

- Developing a global logistics center at Charlotte Douglas International Airport,
- Enhancing relationships with our universities and education system to support and commercialize research and technology,
- Targeting industry growth in high-potential sectors, capitalizing on Charlotte’s unique profile,
- Developing neighborhoods and business districts to create places attractive for people to live and businesses to invest,
- Encouraging business expansion by streamlining the regulatory environment, and
- Preparing youth for employment success.

FY2016 Initiatives	Key Indicators
Facilitate the growth of small businesses and high growth entrepreneurs in our community.	<ul style="list-style-type: none"> • Increased utilization of the City’s web portal (CharlotteBusinessResources.com) to meet the needs of emerging and growing small businesses • Source solutions to the City’s needs from local start-ups and small businesses (<i>Small Business Services</i>) • Increased contracting opportunities for small businesses and local minority and women-owned firms through the Charlotte Business INclusion Program • <i>Google fiber, Code for America, Immigrant Integration Taskforce, International Protocol</i>
Promote the holistic development of targeted business districts and neighborhoods.	<ul style="list-style-type: none"> • Private investment stimulated in targeted areas of opportunity. Examples include the Applied Innovation Corridor, the Eastland area, and the Freedom Drive area
Work with universities and the education system, local industry leaders, and other economic development partners to drive global competitiveness in the energy, finance, information technology, logistics, and advanced manufacturing sectors.	<ul style="list-style-type: none"> • Creation of a Global Logistics Center Strategy for the area surrounding the airport • Increased foreign direct investment through the new International Relations Office • Collaborative partnership with E4 Carolinas in support of Charlotte’s emergence as the center of a two-state energy hub • <i>Business Investment Grant Incentives</i>
Introduce youth <i>young adults</i> to employment opportunities with potential for long-term growth and development.	<ul style="list-style-type: none"> • Increased number of work experiences and summer internships • Community partnerships leveraged to increase the number of apprenticeships in the community • <i>Workforce Investment Development Board, Charlotte Works, and CPCC</i>
Grow Charlotte’s tourism industry through amateur sports development and programming.	<ul style="list-style-type: none"> • Implementation of the Bojangles/Ovens Redevelopment Plan • Identified solutions for amateur sports needs such as swimming, tennis, baseball, <i>and soccer.</i> • Maximized utilization of community-use days at Bank of America Stadium and BB&T Ballpark.



Economic Development & Global Competitiveness

FY2016 Strategic Focus Area Plan

“Charlotte will strengthen its position as a city of prominence in the global marketplace by building upon its competitive advantages.”

Goals	Super Measures	FY2015 Outlook
Promote diversity and inclusion of Minority Women Small Business Enterprises (MWSBEs) in the City's contracting and procurement through the Charlotte Business INclusion Policy	(Target: 10% MWSBE Citywide Direct Spending) ¹	TBD
Leverage public community investment plan investments with the private sector	(Target: 10:1 Private to Public Investment)	✓
Participate with other local partners to grow jobs and investments in the energy, finance, information technology, logistics, and advanced manufacturing sectors	(Target: 5,355 New Jobs Created; \$436 million in incremental private investment in Charlotte)	TBD
Work with community partners and approve an appropriately sized/resourced pre-apprenticeship program	(Target: Implement pilot apprenticeships programs with key public and private partners at 100% by June 2015)	✓
Grow facilities and participants for amateur sporting events in Charlotte	(Target: Grow the economic impact of amateur sports by 50% by the end of calendar year 2016)	TBD

¹The 10% MWSBE goal will be based on spend opportunities defined as those purchases/contracts where there is MWSBE availability and capacity.

1st Draft Revisions are noted in red with italic text.

COMMITTEE AGENDA TOPICS

I. Subject: Charlotte Business INClusion Update

Action: The Committee will receive an update on the Charlotte Business INClusion (CBI) Program and the work of the CBI Community Input Committee. No action is required.

II. Subject: FY2016 ED Strategic Focus Area Plan Discussion

Action: Staff will propose items for recommendation to add or amend the FY2016 Economic Development & Global Competitiveness Focus Area Plan including revisions discussed from February 19th meeting, and if ready, make a recommendation to the full Council for adoption at a future business meeting.

COMMITTEE INFORMATION

Present: Michael Barnes, Vi Lyles, Al Austin and LaWana Mayfield
Absent: Claire Fallon
Guests: Councilmember Greg Phipps and Brenda Anderson, Galilee Agency
Time: 12:00p.m. – 1:46 p.m.

ATTACHMENTS

1. Charlotte Business INClusion Program Update Presentation
2. FY2016 Draft Economic Development & Global Competitiveness Strategic Focus Area Plan

DISCUSSION HIGHLIGHTS

Chairman Barnes welcomed everyone to the meeting and began with introductions.

I. Charlotte Business INClusion Update

Barnes: The first item on our agenda is the Charlotte Business INClusion Program. Several months ago we had talked about ways to enhance this program to make it more viable and more valuable to the people who want to participate in it and to add real value to some of the small businesses in our City and this update will be a part of that process of learning the things that we have done well and can do better and how we may want to adjust the program to provide an even greater value to the small businesses in the City.

Kimble: You said it well; this is an official referral to the Committee so it is here for you to listen, to respond, to ask questions and ultimately make a recommendation for moving forward.

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Rosado: Just a quick review of what we are going to talk about today and what we are going to present. Brenda and I are teaming up to deliver this presentation. I'm going to start and kick off the presentation; we are still kind of introducing the CBI strategic pillars. There are five pillars that provide the strength and support to move the CPI Policy forward and then I'll be delivering information on some CBI outcomes and providing you an update on the things we've been doing on those five pillars; what are the activities and achievements that we've had over the first six months of FY15. I will key up the conversation around the community feedback; one of the asks from this Committee was to go back into the community and really obtain from them information and feedback on what are their priority areas and what things do they want to see the CBI Office and the City staff and all our departments take on as initiatives that are going to help grow the MWSBE opportunities. We did that and we will share that feedback that we got with the community with you and also identifying not only that feedback but also the priority areas that the community identified. Then we will conclude with next steps.

Here we have the five CBI strategic pillars as we call them. We recognize the CBI Policy is about working to implement change and to make sure that we are making an impact in this community and that we are growing the wealth of our minority women small business enterprises here locally so we established and identified these five pillars that are really those things that are going to push the policy forward. The first pillar is about economic development and specifically about increasing MWSBE spending. The second one is really focused on engaging our stakeholders and ensuring access to opportunities. We call that our customer service pillar. The third pillar is internal operational efficiency and it is about improving our system; how can we improve our systems to better track, to better report, to more timely report the information that we have. The fourth pillar is centered around organizational capacity and that is really about changing the culture, making sure that internally throughout our City departments that they are taking on those initiatives that are going to lead to increased gains for our MWSBE's. The fifth pillar again brings us back to economic development if we do those four pillars and we do them well, it is going to lead to a growing MWSBE economic impact in our community. Those are the five pillars and you will see those reiterated throughout the presentation.

We will go right into it and really start with the CBI outcomes update and focusing on that first pillar which is the financial, we are finalizing the FY15 midyear report and that should be published on March 31st but we wanted to share some information with you on the final level. The report that you will see on March 31st actually includes a new measure for reporting and tracking MWSBE spend opportunities. This is a new measure that is based on the ED Focus Area Plan that was implemented that established a 10% goal for MWSBE spending. If you recall during the last time I was here back in September and one of the conversations centered around; you know we look at our discretionary spending and in the past we've had that 5% SBE goal but that 5% SBE goal took into account a lot of spending that really weren't viable tangible opportunities so the Committee asked us to really go back and take a look at identifying those tangible opportunities in the departments and then reporting out how successful are we in providing and meeting that spending goal that makes sense and is more realistic. We established the 10% MWSBE City-wide direct discretionary spend goal and the second bullet there helps define how did we identify what makes up a spend opportunity tangible. The definition is those purchases and contracts where there is MWSBE availability in our City vendor database and also where there is MWSBE capacity and capacity is the capacity to bid on the project, the capacity, the staffing so capacity is very specific identifiable measure.

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Here we have the first metric so looking at that 10% goal for FY15 which is the period July 1 through December 31st and analyzing all of the City's spend transactions; we identified that there was total City-wide spending at the discretionary level of \$226 million. When you pulled out those expenditures that did not represent those true opportunities, those tangible MWSBE opportunities, you pull out about \$106 million and that leads us to \$119 million which were the true opportunities. Just to make sure that there's a sense of understanding when we pulled out because one of the things in our CBI Policy said was really look at the due diligence to make sure that what was getting pulled out were really opportunities that just weren't available to MWSBE's; 62% percent of that \$106 million represented payments to large contractors that were doing construction projects. Again there was approximately \$66.4 million that was going to Archer Western, for example, building the huge parking deck which is a \$100 million project. Actually the Aviation Department has two really large parking deck structures at their building so that was the bulk of that spend that was actually getting pulled out. Now you get a better sense of what are the true MWSBE opportunities and when you take that \$119 million you see that the City as a whole achieved spending of \$12.7 million with MWSBE's over the first six months of FY15. We had established a goal of 10% and we are right above that 10% goal that 10.63%.

Lyles: Could define direct prime discretionary spending for me and the language changes? It's ok, I just want to make sure I'm understanding because the example I didn't get on the Airport was like that's a contract work and capital projects and I thought this was prime discretionary which I would have looked at more in the operating.

Rosado: The direct prime spending are those payments where the City directly made a payment and has a contract with that particular vendor. It includes capital projects and every time that we report our spending opportunities, we are reporting everything, capital projects, any City funded payments and projects that were made.

Lyles: Do it again for me.

Rosado: Direct prime spending are those payments that the City directly paid out to a prime on a contract, on a purchase on any type of project. We are only looking at City funded projects so this excludes from that denominator anything that is Federally-funded like anything having to do with the Blue Line.

Lyles: Or the parking deck? Is parking all funded City? But it's Aviation enterprise?

Rosado: Right.

Lyles: I got you. So if I get a check from the City of Charlotte payable for a service or a capital project that's going to be in the prime discretionary spending amount?

Rosado: Discretionary is defined as any contract or purchase where the City had a choice in who it was going to have that opportunity bid. In construction it's a little bit tricky because you have to follow State statutes so you put it out to bid and in that case you did have a choice but you have to accept the lowest responsive responsible bidder; so there are limited opportunities there.

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Barnes: The Airport decks for example followed the DBE.

Kimble: It depends on whether or not they were funded in part by Federal dollars and if they were Federal dollars in the project that would be DBE. There is a lot of spend that the Airport has that has local revenues of both dollars.

Rosado: They both were City funded projects.

Kimble: No, Federal dollars.

Barnes: But they weren't a part of the SBE award?

Rosado: They were but again my example of the two parking decks are the payments that are made to that low bidder, but this does not represent the sub-contracting. We set a goal on each of those two projects and so the sub-contracting spend is reported separately. It has always been reported separately in our yearend report.

Austin: Just a question for staff as we are presenting numbers, is there a way to extrapolate out from MWSBE just women and what goes in minorities to get a better feel for that and do we have a sense of what that is in that \$12.7 million currently?

Rosado: I don't have that information with me today but we can definitely break that apart and get that out to you.

Austin: Mr. Kimble, I know we get all of our consent items where we have our goals and whatnot and we just list that. Can we begin to list the breakdown of that as well, is that possible?

Kimble: We are talking about doing a different reporting format as early as your April 13th Council Meeting. We've heard from a few of you and so we are going to try and share with you a new format and we want to work with you and make sure that it is the kind of format that will work for you. We are trying to make some changes based on the feedback we've been given from all of you. So thank you and we are responding to that.

Mayfield: Ms. Rosado, you are probably getting ready to go on to this but before you go to the next slide but I want to get a clear understanding of the difference between the opportunity spending and the spending achievements. The spending achievements are the specific dollars that were paid out; that is a considerable gap so I'm thinking you probably already have it and you are going to talk about it, but I would really like to get a better understanding of how we are working to fill that gap and what specific task staff has been charged with to close that gap between opportunity and actual achievements.

Rosado: To make sure I understand let me repeat your question; your question is the difference between a \$119 million which we have identified as the opportunities that existed and then the \$12.7 which was the actual spending that happened and occurred at some place. When you look at the difference between the two, a lot of it has to do with – we are doing that analysis now really to kind of get to the bottom and working with our departments to identify how we can improve and take

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advantage of those opportunities to help close some of that gap and get some more of that spending to our minority women small business enterprises so that process is still happening as we speak. But a lot of it has to do with the availability of MWSBE's and do they have the capacity to actually bid on some of those opportunities. We are actually following up the exercise has been finalized but this is actually what happened and now we are taking that exercise out to the departments and having those conversations to say why for this particular situation was it an MWSBE. Was it that it was a low bid opportunity where the opportunity existed but maybe that SBE wasn't the low responsible bidder and therefore we couldn't award that contract to that SBE. We are having those conversations and holding them accountable for those particular purchases.

Mayfield: So when you bring that back to us for that report update I will also encourage I know for me it will be helpful to actually have the breakdown of what exactly those opportunities were. Having that information and having as much transparency around it as possible will also help our MWSBE's to know where there are gaps when we are looking at new career opportunities.

Phipps: How long has this 10% been our goal?

Rosado: That is a new measure for FY15 and it's a benchmark measure; we never had this type of goal in the past, it's always been that 5% SBE spend which looked at the entire denominator of discretionary spending so in arriving at that goal, we worked with the departments to identify what were the opportunities in setting a realistic goal that really made sense. We see that we were about on target with that goal so we are going to be looking at FY16, stretching that goal a little bit and taking it from 10% now to another number so we will be having those conversations with the departments to make sure that they understand that we're moving up.

Phipps: Thank you.

Rosado: The next slide is still focusing on the financial just to give you a sense of access to capital. We have Eric Nelson on our team and so he works diligently to make sure that we are providing access to capital to the community and to date for FY16 midyear, the first six months we closed on nine loans totaling \$519,000. We are also having conversations with our departments to really build spend review meetings to say here is where you spent the money if FY15, what are we going to do differently in FY16 and then during those conversations, we are also working with the departments to give them each individual goals. To say, for example, the City-wide goal if it is 10%; X department your goal is 16% because you have more opportunities than a different department so we are actually being really strategic and accountable and holding every department accountable for what they can actually perform. We've heard time and time again that if you set a goal as a City-wide goal people will tend to stop at that goal and they may not push beyond the goal and go any further so we are really having one on one conversations with the departments to look at their individual opportunities and see what the maximum push that we can do in setting that individual goal for that department. Those goals will be coming out prior to FY16.

Barnes: Talk to us about the nature of those loans.

Rosado: Three of the loans centered around mobilization and so the City has a program where we provide mobilization assistance so if a prime contractor or a subcontractor who is an SBE certified

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company need some cash flow assistance to get the project going they can apply for a loan through Eric Nelson and the City of Charlotte and get approved for that type of a loan so there were three that were done in FY16 midyear. There is still a due diligence requirement; they still have to show and be able to prove that they can repay the loan.

Kimble: Would you like some more information on those? We will send that to the Committee.

Barnes: Yes.

Rosado: The second pillar is focused around customer service and one of our strategies for the first six months, in the new CBI policy, one of the additions that was made by City Council to that policy was this initiative about SBE designated contract strategy and what that means is for informal contracts, the City can determine how to be strategic in identifying those opportunities that SBE's only can solicit. We see this as a great tool for increasing the opportunity for SBE's to be primes on some of our City project, particularly on construction since that is where a lot of the City's opportunities lie. We have worked with departments and collaborated with departments to identify to date four contracts that were designated for SBE only solicitation which means that we did not publicly advertise them; they were under the formal bidding threshold so the City advertised that opportunity and made available that opportunity so that only SBE's could respond to that opportunity. In essence, an SBE was going to win that opportunity because it excluded all others from participating. That was really to address the issues that for some of our smaller, for example construction contracts, that are \$250,000 contract, when you put it out to public bidding we recognize that there are times where a larger contractor may bid on that project and will be the low bidder because they have economy to scale that some of our small businesses just can't compete against. This is an opportunity to really have a targeted opportunity for our SBE's to work on small City projects as our primes and grow their capacity so that they can eventually bid on larger projects with the City.

Lyles: Is this an opportunity for some growth in this area? I think with a \$2 billion budget we have a billion on the operating side and then we say our discretionary spend is \$200 million and opportunity spend is \$119 million. It's hard for people to understand that. I get it cost of people, cost of huge contracts, you happen to get a light rail bus purchase or things like that but to me this is the only opportunity we have in our strategy currently to really get to that place where we even some of this out. Now maybe that is not practical but to me this is one that we really need to strengthen.

Rosado: We are definitely working on that; we have just introduced our strategy out to our departments so we are taking advantage of every opportunity we can. There are some strict guidelines that we have to follow because we are a public entity and we have to follow State bidding statutes so anything over \$500,000 has to be publicly advertised and bid so we are trying to identify all of those niche opportunities where we can get to the bottom. Two of the contracts have actually come from ETM; one was Charlotte Water that initiated that opportunity and then CATS has the fourth opportunity that you are going to be seeing in our next Council Meeting I believe. As far as customer service again with the focus of engaging our stakeholders, our certification team led by Kimberly Tibbs and Emily Yaffe, they administered 156 SBE certification applications just in the first half of this year and 67 MWBE registrations so that is a lot of work that is going on and really doing the due diligence and readiness doing outreach to really encourage those that are qualified for certification to get certified. We have 876 total MWSBE's in the City's vendor database to date.

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Mayfield: Out of that total of 876, are we by any chance tracking who does not or who has not had the opportunity to win a project? It is great to say we have 876 but out of that 800 if only 300 or 500 or 150 are utilized on a consistent basis, then we still have a gap there. I think it would be helpful to know how many are actually receiving contracts and having the opportunity to do the work out of that 876.

Rosado: We can get that for you. Do you want that for both prime and sub-contractors?

Mayfield: If they are minority contractor because I want to keep them focused on CBI and making sure we are hitting those goals and just trying to figure out ways to identify any potential gaps that we may have so we can start focusing on them.

Barnes: We also, Ms. Rosado, a couple years ago saw a breakdown within the MWSBE categories the diversity of those entities so it would be helpful to know what that looks like as well.

Phipps: Is it within this category that we can identify based on complaints from people that might say they have difficulty finding and attracting eligible MWSBE participants? Is it at this stage that we would identify any holes we might have in expertise and try to help offer or suggest avenues of training to get to certain skill sets to be in a pool to add this? Is that a part of this whole concept to make sure that we have adequate coverage in all areas to be able to have people to be in a position to even bid on contracts and things?

Rosado: Let me make sure I understand, so of the 876 total MWSBE's, is it your question that what are our efforts to get them ready to participate?

Phipps: Right, if it has been identified that despite best efforts they cannot maybe find eligible participants to be able to have the necessary skill sets to be able to qualify. Are we looking at that pool to make sure that they have the capacity and given the opportunities, even through additional training opportunities that might be available, experience criteria to try to build capacity to be in a position to be able to bid on some of these projects?

Rosado: We actually do a lot of partnering with community organizations that we call our community partners. For example, CPCC one of the great things that we do is we partner with them and we pay for up to \$300 a year for our SBE's to take classes at CPCC so they can build their capacity so that if they, for example, are really good, you could be a really great landscaper and you know the business and you know the work but you may not be good at managing your accounts or your cash flow. We'll partner with CPCC and actually pay for that SBE to take a course at CPCC to improve that aspect of their business. We do partner with a lot of our community, we partner SCORE as well if they need help in developing a business plan, we will send our SBE's and MWSBE's there to work with people who are experts in this type of area and get them the exposure and experience that they need.

Austin: Of the 876 are all of those local businesses and does it muddy the water if we expand beyond our own Charlotte region? I don't know how that impacts all of you, but can you share some of that?

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Rosado: According to the City Council adopted policy, the City Council has identified our local area as a business that is headquartered in one of the 13 counties in the Charlotte region. So that has been the City's definition. In order for us to set MWBE goals on projects specifically, MBE goals because we don't set a W goal on construction sub-contracting, you have to look at your relevant market area. The relevant market area defined by the Disparity Study consultants that were done doesn't use the headquarter criteria; it has to have an office presence so a business to be recognized in our relevant market area which is that 13-county Charlotte region has to have a business presence in the Charlotte area which could be mean an office. However, City Council really wanted to focus on those businesses that are headquartered here, managed and controlled here so that is how the policy is currently written.

Austin: I assume our guests here have some questions.

Barnes: Historically we don't take comments or questions from the audience because it can turn into a free for all. There are times that were tough so this may be one of those.

Austin: I just wanted to gain a better understanding, would it be hurtful or helpful to have more individuals in that pool, can you share?

Stephanie Berwald, MMCA: For MMCA, we have actually had this conversation with Nancy; it would be helpful to expand it because it increases your opportunity to set a higher goal and have a bigger pool of companies to pull from. Our opinion is that it would be helpful.

Austin: I was just trying to get a better perspective from our business owners so I'm trying to understand if it hurts or helps so it sounds like it helps.

Kimble: Great question, perfect question to ask. Past Council's, I think SBE and then when it became MWSBE it has probably been referred to this Committee about every two years and this issue of what is the area of capture has been discussed and debated probably four different times since 2003. It has been a great conversation and the counter balancing argument has been keeping the money more local with local firms but that is balance against the opportunities that would be provided if you expanded the geography. It is a Council policy that we follow and that you can have that debate and discussion anytime you would like regarding the MWSBE Program. Past City Councils have had that discussion and debate and come up with the MSA, the 13-county area that forms the Charlotte region. It's a policy discussion and a policy decision.

Rosado: I will add Thomas Powers, our legal attorney, wanted to make sure there was an understanding and that I express this that the 13 counties we really have to use the CSA but where there is latitude around is relaxing the headquarter requirement and making it a business presence so that if there is a company that is headquartered, for example, in Greensboro but has an office presence here and if they do considerable work in Charlotte that legally would be acceptable. If you are looking at expanding it outside of the 13 counties and bringing additional counties in that could be a legal issue that would have to be considered as far as the risk of doing so. Did I express that adequately?

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Powers: Yes, if I can kind of piggy back on that last point; with the MB Program, you are looking at trying to remedy the disparity between the actual utilization and the opportunity. The concern that I would have is that if you happen to expand into a point where you are just letting anyone in, you may get into the point where this is not nearly tailored to the discrimination that you are trying to remedy. That is one constitutional issue that I would have a concern about if you open up state-wide whereas most of your dollars spent we can show from a...standpoint within 13 counties and then you start opening up to anyone, let's say along the coast, that may make it an issue in regards to defending this program if we were challenged.

Lyles: As a follow-up, I guess some of it is depending on if we are addressing just the remedy for the MWBE versus the SBE Program so there is some leeway I'm assuming in how we define and who is in. I understand the 13 counties, but I still think there is enough room for a policy discussion around this and I would like to see that.

Barnes: Meaning you want to expand it?

Lyles: I don't know that I want to expand it but I would like to have a discussion.

Barnes: I was trying to understand what you said.

Lyles: I would like to have the discussion on the policy.

Barnes: Can we add that to the follow-up?

Kimble: Follow-up is every two years and this is our two years.

Barnes: I've heard it argued on both sides.

Lyles: There are arguments on both sides, but I think we ought to weigh them and figure out what the time is.

Austin: We need to flesh that out.

Barnes: I agree.

Phipps: Do we have a breakdown of where the businesses are within the 13 counties?

Rosado: Back in September when we presented our last update, there were about the same number, or a little bit less, about 840 MWSBE's in the system and 76% of them approximately were headquartered in Mecklenburg so the vast majority of the folks that participate in our program now are from Mecklenburg County and the Charlotte area.

Real quickly this is just additional customer service perspective; in the first six months our CBI Office has participated in more than 30 community outreach events consisting of presentations that we've spoken at, the meetings that we've attended of MMCA. We hosted a Bojangles and Time Warner renovation project in collaboration with Engineering & Property Management who came and spoke to

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our MWSBE community about opportunities that are coming up on that project. We are working now to coordinate the 4th Annual Crowns of Enterprise Awards reception that is going to be taking place in May. We are developing a stakeholder survey that we will be released in June to our MWSBE community.

With regards to internal operational efficiency, we've engaged departments for the first six months in 79 formal solicitations. Those are the ones that you see in your Council Agendas and of those 79, 26 of those contracts were actually awarded to 30 MWSBE's as primes totaling about \$15.3 million and you may wonder why 26 and then the 30; some of those had multiple awardees and so there may have been more than one MWSBE being awarded or considered for awarding in that particular action. Again, of those 79 formal solicitations that we worked with the departments on, 63 of those contracts were with MWSBE sub-contracting commitments totaling \$11.4 million.

Mayfield: Thank you for this; I like the numbers, but when you come back, it would also be helpful to have a little more detail of that breakdown. An example, saying that out of the 26 contracts, 30 MWSBE's end up with this amount. What was the total amount of bids that we put out there? I know one of the questions I repeatedly asked is an example which Ms. Rosado and I were looking at one earlier, just as an example, out of \$800,000 total contract amount \$54,000 is the amount that is identified for MWSBE's and that \$54,000 is being split between six companies so that is less than \$10,000 so you are doing the work for minimal amount so it would be helpful to know that total amount so when those contracts went out for bid, what was the total amount of all of those contracts. If we are saying that MWSBE's were able to capture \$15.3 million but we spent out \$300 million in the total bids, that is an extremely small percentage and I think we still have some room in how we are moving forward to grow our MWSBE's. It would just be helpful, I know, for me to look at the actual numbers that we are comparing.

Barnes: Point of clarification; the \$11.4 million is within the \$15.3 million?

Rosado: No, the \$15.3 million were the City contracts directly with the prime and the \$11.4 million are sub-contracting opportunities.

With regarding to internal operational efficiency, we were also working to develop internal CBI pilot policy guidance documents so that we can ensure that all our departments are doing the same format, in the same way at the same time.

Organizational capacity – you can see that Randy Harrington is sitting here at the table because our CBI Office effectively transitioned under the CFO so this will provide the CBI Policy increased opportunities for leveraging the policy across the organization. We are already talking about how we can imbed the CBI process into the budget conversations so that we have a better sense of what is coming up in the pipeline to help identify those opportunities early on in the process.

On the economic development community impact side, we have established and kicked off the Community Input Committee; it was kicked off in October; it's a sub-committee of the City's Business Advisory Committee. This is one of the ask that came out of the ED Committee when the CBI Policy was adopted. We've engaged the Galilee Agency to facilitate the CIC strategy again wanting to make sure that we are being strategic and that the CIC's efforts are in line with the CBI Policy and the

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outcomes that our Council and the community want to see. Since October, the CIC has met about four times and developed its mission as well as drafted strategic outcomes and goals. Those goals were then presented to the community during the community outreach meeting so that we could bring their feedback to really begin the conversation to say here are some items that we know there are opportunities to improve upon and what are your thoughts, are we right or is there something missing. Brenda with the Galilee Agency was engaged in that process and facilitated that meeting on March 11th; there were 32 community members that attended the meeting and the feedback concentrated around five areas which was access to opportunities, accountability, education, bonding and access to capital. I will now hand it over to Brenda so she can talk about the feedback that she heard from the community.

Barnes: Welcome, Ms. Anderson.

Anderson: Thank you. As Nancy indicated, the community outreach meeting that was held on March 11th was part of the strategic development process for the Community Input Committee. Once the Committee had defined its mission, which you see here on the screen, we began to develop what we would consider as breakthrough outcomes, looking at the CBI Policy and the strategy, the Community Input Committee came up with five areas of focus that they felt would be necessary. You see those on the prior slide, access to opportunities, accountability, education, bonding and access to capital. From that, we put those particular focus areas in front of the outreach stakeholders that were at the meeting and we asked them to look at the outcomes, look at the potential goals that had been drafted and the potential goals that had been drafted and the potential or proposed initiatives and then we asked them for their feedback.

Just as a quick overview, these are the members of the actual Community Input Committee and as you can see they are representatives from the Business Advisory Committee as well as other community diverse stakeholders across the region. From the different focus areas, we asked specifically the question to those who were attending the meeting on the 11th, what are the actions that the CBI Policy or the CBI staff could take in the next six months to move this process forward because that is one of the things that we continue to hear is that are we moving forward, what is the progress of implementing the policy and getting the type of results that we want to achieve. What you see is what came out of that discussion or the actions that the different breakout groups had as far as what are the things that access to opportunities, what are the things that need to be done in the short-term. Some of the things will of course be more long-term because of some of the things that will be required to make that a reality. The bullets you see in red represent potential actions that may be taken by the CBI staff to address some of those things that were recommended. For example, looking at certification eligibility criteria and saying what are some of the things that we potentially may do to address that such as expand the geographic area, the conversation you just had, looking at the eligible requirements as it relates to financial as well as prior work experience. That potentially could be something that we would be able to do within the next six months. Certainly what happens next step is to take all of this information back to the Community Input Committee, have further discussion around that and get their validation on it before we move forward with it.

Barnes: Could you just explain briefly what the increased financial eligibility requirements mean?

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Rosado: There were comments from the community that wanted us to consider increasing our requirements around who can apply for SBE certification so right now we have personal net worth standard of \$750,000, which is one of the financial requirements. The other financial requirement looks at the size of the business and we currently will only certify small businesses and define small businesses as having a quarter of the SBA size standard. For an industry like general construction for example, if the size standard is \$21 million your growth revenues can't exceed \$7 million in order for you to get certified as a small business with our program currently. There was conversation about increasing those requirements.

Barnes: Higher?

Rosado: Yes, higher so that more people could be eligible for certification. Some of it had to do with the capacity issue. If we want to see SBEs winning contracts as primes they have to be able to bond certain projects and when you are on a smaller scale you just can't bond a project that's a certain size so it had to do with it would be great to see more SBE's winning these opportunities but the current requirement doesn't allow for them to participate as an SBE if they exceed that standard.

Barnes: So the last one there allow for prior related work experiences, explain that one for me.

Rosado: That one, in order to be certified as an SBE, you have to have one year's work experience and in an active business so there were some individuals who were saying I've done this work for 20 years for somebody else working in another company and then I broke off and started my own business and you are making me wait a year before I can be eligible for certification. The requirement is really making sure they know how to run their own business so they can do City work and have the capacity. That was the rationale for having that one year requirement.

Lyles: Under the eligibility criteria, I heard Mr. Kimble say that we've done the geographic every two years. Have the other two been looked at recently or are they a long time ago?

Rosado: Recently when the CBI Policy was adopted, there were conversations around increasing the financial eligibility requirements; actually the Disparity Study, one of the recommendations from the consultants was to increase the personal net worth, but the City Council Members at the time decided that was not the route they wanted to go.

Kimble: Pretty active discussion on almost all of these points and it's not a bad to revisit them from time to time.

Lyles: I remember when these were first done.

Phipps: When we say expand geographic area; are we looking to expand it within the 13-county region or outside of that?

Rosado: My understanding from the community feedback was to add additional counties, expand it outside of the 13 counties and allow for other counties to be represented and participate.

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Phipps: In as much as we have 76% in Mecklenburg, I would think we have some opportunities within our existing structure to be able to expand. I would question expanding 13 beyond that if it came to that.

Barnes: I am with you and I think there were some issues Mr. Powers raised too that we could include in that conversation.

Lyles: The thing that I think about as we are building for example the intermodal yard, we are talking about report to the intermodal yard at the Airport; I often think about where your corridors of economic development opportunity and how do you strengthen your SBE's and MWBE's so they are able to participate and make those links work. Sometimes I think the geographic area is a governmental standard and I think about how does that look when you are actually doing the work. If you are on 77 and you are working really hard and you can come up there or come down 85, it just seems to me that builds capacity. I know this is a debate that we have to have but my view of it is that MSAs are standards set up for governmental purposes that are just kind of like how do we measure stuff for the Census or whatever and does it make sense for what we are trying to do for economic development especially when we are investing in so many of these opportunities at the Airport that relate to facilities that bring things in. It's another day, but I think there is something to be said overlaying SBE work with what they are doing in other ED work to make the opportunity for minority contractors to participate in the greater strategy. I think right now this is kind of a numerical effort and I don't know if that is sufficient enough to build the capacity of where we are.

Barnes: You are raising I think a very fine issue; if were to take a few moments to dig down into what Mr. Powers was talking about, I think we would discover why it is all numbers.

Lyles: I am not talking about MWBE; we could do SBE and have the same number requirement as a court justification.

Austin: Are we coming back to that discussion at another meeting?

Kimble: To be more clear on what I heard Mr. Powers said is that your Disparity Study was done on the ratio of availability and granting of those contracts to determine if there was disparity and it was done on a specific geography.

Powers: From what I recall based on the Disparity Study and looking at your spending and where it was going to and they determined that 80% of your spending with these 13 counties and that is how the CSA was determined and that was then used in terms of availability utilization and that disparity as well. That is how we got the 13 counties, based on where individuals were receiving money from Council to work in this project.

Kimble: We will bring back that conversation for a deeper dive into it with you so that you can understand it and ask the questions and decide how you want to move forward.

Austin: Is that going to be in within the next month?

Kimble: Whenever your schedule will allow it with your other items on the agenda.

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Barnes: I would hope that we could do it within the next three meetings.

Kimble: It is good that you meet two times a month.

Anderson: Of course that is one of the reasons why it is identified as something that could happen in the next few months.

Around accountability, you see some of the recommendations; just note that those things in red highlight are things that we believe we can start focusing in on over the next six months to move forward, making sure that the different departments are adhering to the policy from your earlier discussion of looking at those opportunities and finding where there might be some increased opportunities for spending to move that needle a little bit more. The other thing that we heard; there was some discussion around payments and making sure that MWSBE's are getting paid. The CBI team is going to be looking at putting a process in place around compliance and holding particular sectors accountable for what they need to do in order to make sure people are getting paid timely. That was some of the things that we heard and discussed in the meetings.

Austin: Under accountability and I have talked to a number of folks, how are we ensuring that our majority contractors are actually doing what they are supposed to be doing with the MWBE's and do we have somebody who goes around and looks; just help me I'm trying to understand all of this because you might say you've got to do something but when it comes down to actually doing it and delivering it, I want to make sure that is really happening. How do we do that currently and in the future?

Rosado: Currently departments that own the project, manage the project so they have project managers that are monitoring to make sure the sub-contractors that were identified are on site are being utilized on the project. With regards to payments, before a prime contractor can get paid on any project they have to submit for every payment invoice a payment avadavat that is a CBI form that identifies all the sub-contractors that were utilized for the particular work they are seeking payment for and also tracks the utilization so it will say Jones Grading; the goal was to use them for we made a commitment of \$20,000 this payment that we are going to receive is for \$5,000 of their work so it tracks throughout the life of the project. At project closeout, we can monitor have they met their utilization goal and the departments really do a great job of doing that regularly to track and say oh wait you are not on track to meet your goal; what is happening, and making sure that they are meeting those utilization goals that they committed to up front. It is being done through a paper trail process of forms and again before a prime can get paid, they are monitoring that and they won't sign off on a payment to a prime contractor if there isn't enough documentation to support the sub-contractor's payment.

Austin: I'm going to chew on that for a moment.

Mayfield: I'm going to go ahead and preface this because it is not directly related to this, but when you just said something it triggered a question that I probably should have asked three years ago. We have a bid that goes out the prime bids on it, it is one of those where we have to accept the lowest responsible bid so then when it goes to the subs are the subs bidding on it?

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Rosado: Everything is done pre-bid so the City is going to build a parking deck and we put out the solicitation but before we put out that solicitation, we've gone through the engineers estimate to identify all the sub-contracting opportunities and the availability of MWSBE's to participate. We establish a goal for sub-contracting for that particular project. The project goes out to bid and primes have to do their Good Faith Efforts to make sure that they do everything possible to meet the sub-contracting goal we've established on that project. So they are accepting quotes from the sub-contractors for the sub-contracting opportunity to meet that goal that we've established.

Mayfield: So just for a little bit more clarification because I'm trying to picture this in my mind. When that bid goes out the sub-contractor knows that these opportunities for this grading where the amount we've identified we will pay \$25,000 or for this concrete is \$3,000 so the sub knows exactly how much the cost of that job is when they are bidding on it and I'm still trying to rectify in my mind how we have a total amount that's here but when it comes to the subs the amount that is identified will be somewhere down here. Do the sub-contracts know the exact amount of that contract? So it is \$600,000 contract and we've identified six opportunities for SBE's so we know for the land or the gravel the amount of that we estimated should cost \$3,000 or it is should cost \$250,000 out of that \$800,000 so out of that \$250,000, you are bidding on this piece of it or you are bidding on the \$250,000 because I'm thinking if I'm that business and I'm coming in and saying I want to bid on this part of that it then that means your prime, you are not doing this work so that line item that was identified when you originally submitted your proposal, that line item is now what's open for subs to go and bid on and my company is able to do this work so you are not doing it so that \$250,000 line item is what I'm actually bidding on or are we saying it is estimated \$250,000 but then that prime is going to go in and say we can do this part and this part so the only part we can't do is Part 4-F which is the value of the \$2,500 and that is what we are putting up.

Barnes: Let's say the City puts out a contract for \$1 million for whatever the work is and staff determining that at least 10% of that should be MWSBE and Kimble Construction bids on the project. It's up to him to call me and Al and Vi as subs to say look guys I have this contract for \$100,000 that has to go for MWSBE's. Barnes can you do X, Lyles can you do Y and Austin can you do G and then he responds to the staff by saying I can do the project for \$1 million and here is my bid and he ultimately wins the lowest responsive bidder so he gets the work. We are not bidding on the contract with him with the City, Kimble Construction is making the bid and Kimble Construction calls the three of us to say I need MWSBE's to do XYZ and we all tell him what our price is and he says perfect it will fit and then he responds and gets the deal.

Mayfield: Follow up to that and thank you for that clarification; so Kimble Construction identified \$100,000 that we said we have available but then Kimble Construction decides that I can do A, B, C and D so really what I'm actually contacting you three MWSBE's for is for \$5,000 of that \$100,000?

Kimble: It if is broken down to that.

Lyles: What she is saying is that instead of taking the sub-contracting opportunities the prime says I can do the work so he declares I can do the work and there is no need for sub-contractors.

Mayfield: I should have asked that question three years ago.

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Rosado: May I suggest and what we can do is come back to you and present to you and take a real life example of how we establish a goal and walk you through that entire process. I think that may be helpful.

Mayfield: Did you understand what I was saying.

Barnes: I did Ms. Mayfield; you helped me out a lot. Ms. Rosado, let's say the \$1 million contract and 10% is MWSBE, Kimble Construction says I can do \$95,000 of that \$100,000 myself and I will let Vi bring me in some copies and the other stuff they seem to do and that is so the MWSBE only gets \$5,000 and Kimble keeps the \$95,000 because he can actually do the \$95,000 himself. It shouldn't happen but does it?

Rosado: It doesn't happen like that.

Barnes: It would help us though if you all could site an example of where that has happened and you are willing to do that, I'm willing to hear that and the Committee is willing to hear it because we are trying to figure out to make the program better so if there are some specific examples that you all can provide us now of what Ms. Mayfield just raised and what I was trying to clarify I want to hear it because it will help us.

Pride Patton, MMCA: Believe it or not those prime contractors in the City; they can outsmart you. What has happened in this long process and everything that you all are talking about, it never changes the bottom line and you all mentioned it. The items that I am going to bid on can be concrete or it can be masonry or anything else they know the items that they are going to bid on. Now the bottom line never changes; they move money out of the items, the same that you all mentioned that we are going to bid on and when it comes to them they show them that our price was higher than theirs when they done moved the money up into items that they don't complete. That is how we get beat to death and that is hard to overcome. The bottom line never changed, the money just shifts around and that is where we are getting killed.

Barnes: Does that make sense what Mr. Patton just said?

Rosado: I understand what he is saying.

Barnes: Stephanie, did you have something?

Stephanie: If you got that example that is good.

Lyles: I like the idea of coming back on a contract because what I hear and experience in this area is exactly what Mr. Patton just talked about. There is not the trust in the process and the ability to actually hold people accountable for it so there is a shifting of money the opportunity to say I declare that I can self-manage this and that is where you get into at least the accusation that they shop subs and you have false front subs that go out and do this. This has not changed; we still get that every day so have we figured out a way to either say we know this doesn't happen or it is not happening or if it is happening this is how we remedy this. Those are the three things that I think where the money shifts, where you get to say they are not available and you say well I've got someone that

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perhaps you say that you've bid this but they don't really fulfill the work. Those are the three things that people have said about our contracting process.

Austin: You talked a little bit about this Good Faith Effort process and I'm still trying to get my hand around it; if you are saying that we have minority contractors and contractors in 13 counties, I can't imagine why someone wouldn't be able to fulfill that with 876 people kind of there ready and available and willing to work. We see it often in our Consent items where there was a Good Faith Effort. I can't get my hand around that and somebody not having an opportunity if we've got so many people in cue.

Rosado: The 876 they are in a vast majority of categories so they are not all in construction; they are in construction catering service, supplies; 876 in a variety of scopes.

Austin: Of that 876, what kind of categories are they grouped in?

Rosado: We presented that in September and I can get that back for the Committee. I don't recall the numbers.

Austin: Are most of them in catering?

Rosado: No, I have to go back I really don't want to say a number but a lot of them are in other services which could cover janitorial services, landscape services; a lot of them are in construction as well so I can bring those numbers back to you because I don't have them.

Kimble: I think we probably need some offline time with each of you to walk you through too in advance of when we bring it back so that you have a deeper knowledge of how we go about the program.

Austin: I remember a very convoluted conversation around good faith and how many calls we had documented and what not. I can't just fathom that; with some many people over here that are ready and willing and available, I'm having trouble with that.

Kimble: Good faith has been discussed every two years and it's the legal defense.

Austin: I don't have those wonderful years.

Kimble: You are correct so it doesn't look like it is a mandate. It is a goal and there are a lot of issues around that legally.

Barnes: It is 1:15 and there is a Budget Committee meeting at 2:00, so I'm not rushing us because this is great conversation but let's be mindful of the time. We have one or two other items.

Anderson: You see the bonding was something we talked about that earlier as far as looking at that as an opportunity to move forward and taking some action.

Barnes: Are those considered feasible by staff?

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Anderson: Engaging bonding legal consultants, I think Mr. Phipps asked about education. We heard specifically about getting someone in here to work with people one on one to help them figure out what are the opportunities to help develop their bonding requirements so that's what we see as something that could happen in the next six months.

Speaking of education again we heard from the community around more education opportunities to help understand how to qualify and compete for City contracts and so we are looking at what specific education opportunities to address the ones that we heard in the outreach meeting. The other continues to be something that we discussed and I heard from this Committee as well is an Mentor Protégé Program, looking at that as a viable opportunity and then looking at the budget history so we can see what projects have been awarded and what those prices are and how to be competitive as it relates to those particular projects in the past.

You have heard about the access to capital was a major discussion and focus area, looking at quick pay and early payment arrangements and you heard Nancy talk about some of the mobilization efforts with the loan program and looking at that closely to see what other opportunities would be available to provide access to dollars and mobilization. The next meeting is scheduled for April 2nd for the Community Input Committee.

Rosado: The next task for the Community Input Committee is to come back and review the community feedback and compare it to their draft strategic outcomes and goals that they have established then we are going to have the CIC, which are representatives of the community and these member organizations create these sub-committees around these prime priorities so we can begin to say what are the short term and long term strategies and things in action that we can do together and that the CBI staff can do as well. That's what the Community Input is charged with and their next meeting is April 2nd. The CBI Office in the meantime is working to finalize the FY16 Department MWSBE's goals. We are also in listening to the community's feedback we are going to be implementing quarterly project outreach events beginning in June so we will begin to work with our departments together to have one outreach meeting that all the departments can come to specifically in construction, to say these are the construction projects that are in the pipeline and really kind of introduce those items and get the community prepared for those opportunities so they can in turn ask questions of City staff as well. We are looking to host an education summit in October that is going to provide information to address that education question around bidding, estimating, how to do business with the City, what are the City's requirements around bonding for example, and then bring in someone that can do that legal and bond clinic consulting one on one to really address the individual particular needs. We will be looking to increase efforts to monitor prime MWSBE inclusion efforts; we work with departments already on that but we are going to have to continue those conversations to improve that process. Then launch the Mentor Protégé effort by January 2016.

Barnes: Can I ask you a question about that? I have had some passion around that for years now and I may not be here January 2016 so I will ask it while I can. Have you found that the prime contractors are interested and willing to meaningful participate in a program like that?

Rosado: We had a Mentor Protégé Program effort a few years ago and what we found was that it wasn't as effective so that was one of the reasons why we said we need to really take a step back and really look at what do we want to get out of a Mentor Protégé Program; what is the carrot that is

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going to entice these primes to be mentors to our MWSBE's so that is one of the tasks that the Committee is really charged with. We have representatives that represent the primes as well as the AGC representatives and have the discussion about how we can structure the programs so they can provide meaningful results.

Barnes: And it was obviously also a prior slide and may not have understood something that actually happens with that.

Rosado: With the Mentor Protégé?

Barnes: Yes because I think there are a lot of opportunities for people there to field those connections.

Phipps: I had a question about the practice that Mr. Patton was talking about. Do we consider it to be an unscrupulous activity to potentially reallocate funding within a big contract? Do we consider that to be something that is unscrupulous and if it is something that we expressly prohibit in our language and documents when we put that out?

Rosado: The response is probably going to take longer but when we set a goal on a project, the prime contractor has to either meet the goal or earn the Good Faith Efforts and the Good Faith Efforts are simply put a menu of ten items that if the prime contractor did take these steps and measures, they should be at a place where they could meet the goal on a project. When we set a goal on a project those are just like opportunities that the City has identified as sub-contracting opportunities; they are not mandated to meet the goals with just those opportunities, they can meet the goal with other opportunities that they may identify that we haven't identified. So as long as they can document that they have met the goal or document that they have met the good faith effort and actually were striving to meet the goal then they would win the contract. However, I've said this many times before in the span of a year the vast majority of projects and primes actually meet the goal of contract and they are not awarded through Good Faith Efforts (GFE) and we've done this presentation in the past where we've seen in a two year span; there may have been four projects that were awarded through GFE and the remaining were actually awarded where a prime met the goal. We can definitely do that analysis and bring back; I would say in the last two year span there have been X number of projects where the bidders met the goal and X number where they were awarded through Good Faith Efforts. I don't know if that answers your question; I would say that the action is unscrupulous but we wouldn't reject a bid because of it.

Barnes: Let me put some words in Mr. Phipps' mouth; if we find that Kimble Construction consistently does that there should be some red flags. Remember a few years ago, I caught out one of our primes that actually created its own SBE and was bidding on work itself and I called that out and you all put a stop to it.

Harrington: It is certainly the letter of the policy but also the spirit of the policy and that is very important as well. We recognize that and hear that.

Barnes: Thank you Mr. Harrington. I'm not trying to rush us off the topic if there are other things the Committee has on the topic, let's talk about it. Mr. Phipps do you have anything you want to add?

Phipps: No, thank you.

II. FY2016 ED Strategic Focus Area Plan Discussion

Kimble: We will bring Bill Cronin, Economic Development Director back up to the table; you have had one short review of this and we are trying to get ready for your April 6th Committee Retreat to talk about the Focus Area Plans so we wanted to take a little bit of time to get feedback from you.

Cronin: You have before you in your packets today a draft of the FY2016 Focus Area Plan and if you recall in the last meeting we discussed that this is to kind of tweak year but it gives us the opportunity to go in and make some adjustments as well as take a look at those super measurers. I'm reminded that the super measurers the last meeting was the first time that the Council had actually got to see some of those measurers that were developed back in November of 2014 as a way to have a measured impact on some of the larger items that were initiatives for FY2015 at that time and now we are into FY2016.

I think in the interest of time maybe the easiest is to focus on the Focus Area Plan amendments, the items that are highlighted in red as tweaks and not just the Plan itself but also to the super measurers and we do have at least time in one more future Committee meeting to finalize this and accept it before the submission of I believe April 6th when the final plans need to be done to present in their entirety to Council.

In the first key indicator that has to do with facilitating growth in small business and high growth entrepreneurs in our community, we amended the key indicator items to include our Small Business Services Program to match companies with City needs and utilizing Code for America Charlotte Brigade to create innovative solutions for City government. This came up at Code for America last year; I'm not sure everyone realizes that we have a brigade here now that meets monthly and there are several of those individuals who meet in our building and have the ability to work on problems and provide solutions that the City may have.

The next suggested amendment was participation in community collaborative to advance technology and promote digital inclusion to startup companies in light of Google Fiber's planned investment. Google Fiber is focusing initially on the residential areas; this also does include that because you could have some cottage industries and some startups that actually come out of residential.

The next item is implementation of key Immigrant Integration Taskforce recommendations as approved by City Council. This item is simply making room once those recommendations have been heard and which have been adopted or recommended that we have a place hold for them in next year FY16 to be able to actually implement some of those.

The next initiative is the promotion of holistic development and targeted business districts in neighborhoods. We added a couple corridors; originally just had the Applied Innovation Corridor, the Eastland area and the Freedom Drive area so we have included northwest corridor and West Boulevard corridor.

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Barnes: We may have talked about this I don't remember; we added the northwest corridor and the West Boulevard area, we had Eastland and the Applied Innovation Corridor. One area that I think is missing and it is what I call a doughnut hole area is this area along Tryon Street from roughly Craighead to Old Concord Road. It's outside the Innovation Corridor and it is also outside of the Blue Line Corridor because the Blue Line comes up Tryon at Old Concord so once you are south of Old Concord until you get to Craighead there is nothing planned in that area. Once you get south of Craighead going towards uptown the North Tryon Area Plan I believe applies to that stretch of Tryon Street going to uptown. There is an area in there that is in need of something and it is in Districts One and Four I believe. If you drive it you will see what I'm saying.

Cronin: I know where you're talking about. This item was just siting some examples do we want to name that somehow to include it?

Barnes: You could technically name every part of the City so the question is we've listed some areas at least four areas specifically and added two. Do we add areas or leave the names out?

Lyles: This is kind of like small area plans targeted businesses and neighborhoods. We have great needs and I don't know we sort and prioritize. I think the examples noted here are important but I think it us just that. There are examples that need to follow something in our corridor program or where we are investing in planning because to me you want to work the entire area for livability and jobs and all of that together so I'd rather have the example and I don't know what the process is and how we do this, but somehow to sort ought to follow our capital investments plan, our investment in transit and area plans.

Barnes: Right now it says private investment stimulated in targeted areas of opportunity. Could we then say examples include the Applied Innovation Corridor, the transit corridors, and the business corridors? I'm trying to cover those areas specifically.

Lyles: I'm trying to say if we can figure out how we do we ought to put what we are doing on the page. I don't know how you define those investments right now.

Barnes: They are maps of what I'm thinking about.

Kimble: We have the Business Corridor Revitalization geography that was described in your work back in 2007 and that geography still lives and all of these are examples inside that.

Barnes: I'm saying rather than list these areas use the revitalization corridors, otherwise the district representative could do what I just did, name that street that needs help.

Lyles: That is what I was looking for.

Austin: Can I take another look at that; it might be because I spend so much time on the northwest corridor and I really feel like it is an area that needs some intense focus I probably tend to want to list those so it is clear as we move forward that some intentional direct help needs to be in those corridors as opposed to doing a generalized statement. I think it is important to specify exactly what we are going to do. That would be my perspective.

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Barnes: I think you are right; what I'm saying is within the business revitalization strategy on corridors is the northwest corridor. It is already in there so is West Boulevard, so are parts of Tryon so are parts of Central, I believe. So there are parts of what you just described already under that umbrella of business revitalization corridors.

Austin: What I'm concerned about is you made a statement earlier; going into January 2016 so I want to make sure that whoever sits in this seat of District Two is clear that some focus attention and efforts are in that corridor.

Barnes: I understand it is there.

Lyles: I would suggest that private investments stimulated the target areas of the business corridor revitalization.

Cronin: Into the next initiative which has to do – it starts out described as working with the university's education system, local industry partners, other economic development partners to drive global competitiveness in the energy, finance, information technology, logistics and advanced manufacturing sectors. This has to do with the business recruitment aspect, the job creation and the capital investment but it does indicate that we work with our partners to do that in those targeted sectors that were identified as part of the Business Investment Program. The tweaks to that particular item include an expansion of the strategy suggestion for the global logistics center strategy around the Airport to including working with the Airport's new Economic Development staff once they are in place, also increase leads for foreign direct investment from the International Cabinet and through our International Relations Office. Also included something that we talked about last meeting and that was the re-tooling of the Business Investment Grant Program to better align with business needs, partner programs and desired outcomes.

Lyles: The one that I don't see here is jobs and I don't whether it is incorporated in any of these but the whole point of working with the sectors and with the job development is to increase the number of jobs we have and new jobs and not net new jobs.

Cronin: That is included in the targets for that item so we are talking about that initiatives in next steps.

Kimble: That is how we are taking up its relation to jobs; we're picking it up in the targets.

Cronin: When the initiatives were made, the key indicators were put in place to give Council an idea of some of those things, what they looked like in order to get there. The next page includes the super measures and actually has the goals and those targets that were created that align with that.

Lyles: I understand the measures but I'm reading the initiative and if I had just read the initiative I wouldn't know that they were trying to get jobs. That is what I'm saying; it says work with universities to drive global competitiveness; that could mean technology or a number of different things.

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Barnes: So work with universities and the education system, local industry leaders and other economic development partners to drive global competitiveness in job creation in the energy, finance, and information technology.

Lyles: And I am going to speak to your point on the measurements; I think we are still talking about net new jobs.

Cronin: Yes, that is right. The next item was discussed briefly last time as well and this is the apprenticeship aspect and the increased number of work experiences through the Mayor's Youth Employment Program, also the creation of an apprenticeship strategy and that sentence is small but it is a much larger task that we are talking about; it's everything from working with our partners to looking at those levels whether it is K-12, whether it is young adults working with the technical schools and community schools, working with the COG, working with UNC-Charlotte and also looking at for example the Mentor Protégé program that we just discussed might be able to fall into this as well. The first step is really getting our arms around what landscape looks like right now and have a strategy in place so that no matter where you are at in that spectrum, we know exactly where to place those people and where an apprenticeship program might fit for that particular need or industry.

Mayfield: We are also working closely with one or two people that we have in MYEP right now and I know they are running into some challenges with some of our businesses not being a part of the Mayor's Youth Employment Program or being a little more selective. I know we have one particular business that we are working with where they are working with students from Myers Park directly and since the Mayor's Youth Employment Program is really focused on the diversity of the community, there hasn't been the opportunity for real conversations for them to come on board and be a part of the Mayor's Youth Employment Program. I am just wondering if you need anything from Council to help with some of these conversations since some of these business partners have received tax dollars for their development and/or expansion but when we are looking at how we are really trying to help support our youth and give them access to training, some of those same partners have quickly forgotten the part the City played in their development whether that was infrastructure or however the case was. If there is a way to assist then to reach out to us to give us an opportunity to be a part of those conversations.

Cronin: The last item the only change on the key indicators was adding the sport soccer which was not included in the first list. On to the goals and super measures, the first measure has to do with the 10% MWSBE City-wide direct spending requirement. As we've heard today, we may see a change in that based on the presentation today.

Kimble: Pushing it higher if we can.

Mayfield: Going back to adding soccer; have we done any studies around rugby?

Cronin: No we haven't.

Mayfield: Mainly because we are getting a lot of rugby championships in college and high school and different things so that might be something where as you are breaking down, you might want to look to see if there a financial impact there.

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Cronin: So would you like for us to add that?

Mayfield: Yes rugby and lacrosse.

Austin: Mr. Kimble, I have a question going back to some of the challenges that Councilwoman Mayfield talked about with the Mayor's Youth Employment Program. Do we have a way or do we encourage through our Business Investment Grant Program to partner those businesses that are coming in so they understand that this is important to us? I know you don't want to add on more stuff.

Kimble: We sent out a list to you from your request at the last meeting that we did and that section is encourage for youth apprenticeship and summer programs.

Cronin: We did add a goal that has to do with the first initiative and going back to that first initiative was to facilitate the growth of small business and high growth entrepreneurs in our community. We did feel that the CBI goal by itself addressed both aspects of small business as well as the high growth entrepreneurship aspect because we are talking about start-up companies and those start-up companies may not yet be eligible for some of the CBI work there so we added a goal to promote high growth entrepreneurs through increased communications and marketing and creation of a marketing and communication strategy to raise the awareness of Charlotte as a high growth ecosystem, but also to be aligned with that Charlotte Regional Fund for Entrepreneurship and some other programs that we are working on here locally as that program gets ready to start deploying some money invested in start-ups, it is important for us to push potential candidates into those programs.

Barnes: Point of clarification; Ms. Rosado, glad you came back. We were talking about an issue back to presentation under the Mentor Protégé Program that applies to companies as much as it does to people right? So if you have Lyles/Austin Electrical and they are trying to do work with us, they may need that mentorship as much as Vi might individually. Does that make sense? In other words, a small company may need help as much as individuals. I don't you all to think we were talking about some kid that just got out of CPCC.

Rosado: No, we are looking at existing businesses.

Cronin: The next item did not have a change and that is the 10:1 private to public investment as it relates to commercial revitalization and projects that we have in the area, public Community Investment Plan projects that we've identified but we have not yet started spending in that area. There will be of course some sidewalk and things like that probably in the near future, but some of those bigger projects that have not been agreed upon yet.

Kimble: Normally when you have a Tax Increment Grant or infrastructure participation to generate private investment.

Cronin: The next target was to create but we broke that into two targets. It was originally just the jobs and investment goal and those jobs and investment are in line with our partners the Chamber just like they were in previous years and we are going to amend that to say net new jobs. The first item that we actually spoke about at the last meeting and that was to create and adopt a new

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improved policy guideline for the Business Investment Grant Program. That is underway tomorrow at the Business Advisory Committee as the first sub-committee group, not committee, working group to work on some of those changes to bring back.

Working with community partners to establish a pre-apprenticeship program and an apprenticeship program; split that in to two targets as well. One was to continue the work we've done in the pre-apprenticeship program for Transit Maintenance so we don't lose sight of that and the other is to create that apprenticeship program as I mentioned earlier. The last item is to grow facilities and participate in amateur sporting events. That remains the same; we will add the rugby and Lacrosse sports to the description but that super measure was to grow the industry and the impact by 50% by the end of calendar year 2016. That still has another 19 months or so. That is it. We can bring it back in its entirety with the amendments for a vote for the next session.

Kimble: That would be on April 6th.

The meeting was adjourned at 1:46 p.m.

City Council
Economic Development & Global Competitiveness Committee

Thursday, March 19, 2015

12:00pm

Charlotte-Mecklenburg Government Center
Room CH-14

Committee Members: Michael Barnes, Chair
Vi Lyles, Vice Chair
Al Austin
Claire Fallon
LaWana Mayfield

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. CHARLOTTE BUSINESS INCLUSION UPDATE - 30 minutes

Staff: Nancy Rosado, Management & Financial Services

Guest: Brenda Anderson, President & CEO, Galilee Agency

Action: The Committee will receive an update on the Charlotte Business INclusion (CBI) Program and the work of the CBI Community Input Committee. No action is required.

II. FY2016 ED STRATEGIC FOCUS AREA PLAN DISCUSSION - 20 minutes

Staff: Bill Cronin, Neighborhood & Business Services

Action: Staff will propose items for recommendation to add or amend the FY2016 Economic Development & Global Competitiveness Focus Area Plan including revisions discussed from February 19th meeting, and if ready, make a recommendation to the full Council for adoption at a future business meeting.

III. NEXT DATE: Thursday, April 2, 2015 at 2:30pm, Room CH-14

Potential Topics:

- Grameen Bank Update
- FY2016 Economic Development & Global Competitiveness Focus Area Plan



Charlotte Business INClusion Program Update



Economic Development & Global Competitiveness Committee Meeting
March 19, 2015



Agenda

- **CBI Strategic Pillars**

- **CBI Outcomes Update**
 - FY15 MWSBE Mid-Year Results

- **Community Feedback**
 - Community Outreach Meeting
 - Priority Areas

- **Next Steps**



Charlotte Business INclusion Strategic Pillars



2



CBI Outcomes Update

Economic Development: Financial

- Publish FY15 MWSBE Mid-Year Results (March 31, 2015)
 - Includes new MWSBE Opportunity Spend Measure
 - 10% MWSBE Citywide Direct Discretionary Spend Goal
 - MWSBE Opportunity measure defined as those purchases and contracts where there is MWSBE availability in the City's vendor database and MWSBE capacity to support the spend opportunity.

3



FY15 MWSBE Mid-Year Results

Direct Prime Discretionary Spending with City Certified Minority Women Small Business Enterprises on City Funded Contracts

	FY15 (July 1 – Dec. 31, 2014)
Total Citywide Spend <i>(Discretionary Spend)</i>	\$226.2M
Total Available MWSBE Opportunity Spending	\$119.8M*
Total MWSBE Spending Achievements	\$12.7M
Goal: 10%	10.63%

*Dollars representing those purchases and contracts where there was MWSBE availability in the City's vendor database and MWSBE capacity to support the spend opportunity.

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CBI Outcomes Update

Economic Development: Financial

- Access to Capital (Ongoing)
 - Closed nine (9) loans totaling \$519,000
- Department Spend Review Meetings (Ongoing)
 - FY16 Department MWSBE Goal development

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CBI Outcomes Update

Customer Service

- SBE Designated Contracts Strategy (Ongoing)
 - Issued four (4) contracts designated for SBE only solicitations with total value of \$469,953.
- Administered 156 SBE certifications and 67 MWBE registrations (July 1, 2014 to present)
 - 876 total MWSBEs in the City's vendor database.

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CBI Outcomes Update

Customer Service

- Participated in more than 30 Community Outreach Events
- Hosted Bojangles & Time Warner Renovation Project Outreach (March 11, 2015)
- Coordinating Fourth Annual Crowns of Enterprise Awards Reception (May 7, 2015)
- Developing Stakeholder Survey (June 2015)

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CBI Outcomes Update

Internal Operational Efficiency

- Engaged departments in 79 formal solicitations resulting in:
 - 26 contracts awarded to 30 MWSBEs as Primes totaling \$15.3M
 - 63 contracts with MWSBE subcontracting commitments totaling \$11.4M
- Developing Internal CBI Policy Guidance (September 2015)

Organizational Capacity

- CBI Office effectively transitioned under Chief Financial Officer, Management & Financial Services Department
 - Provides increased opportunities for leveraging the CBI Policy as an organizational initiative.

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CBI Outcomes Update

Economic Development: Community Impact

- Established Community Input Committee (CIC)
 - Kicked off on October 17, 2014
 - Sub-committee of the City's Business Advisory Committee
 - Engaged Galilee Agency to facilitate CIC strategy
 - Since October the CIC has met four times and developed its mission, as well as drafted strategic outcomes and goals.
- Community Outreach Meeting (March 11, 2015)
 - Attended by 32 community members
 - Feedback concentrated around five areas
 - Access to Opportunities
 - Accountability
 - Education
 - Bonding
 - Access to Capital

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CBI Community Input Committee

Community Input Committee Mission:

Identify challenges and solutions to ensure that the Charlotte Business INCLUSION Policy has a positive impact on the economic development and growth of certified MWSBEs.

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Community Input Committee Members

Milagritos Aguilar

Hispanic Contractors Association of the Carolinas

Julian Arcila

Hispanic Contractors Association of the Carolinas

Julie Ayers

National Association of Women Business Owners

Walter Baucom III

Metrolina Native-American Association

Stephane Berwald

Metrolina Minority Contractors Association

Nimish Bhatt

Carolinas Asian-American Chamber of Commerce

Wil Brooks

Charlotte Chamber of Commerce

Julio Colmenares

Latin American Chamber of Commerce

Noelle De Atley

Charlotte Chamber of Commerce

Sean Gautam

BAC Representative - City Council Appointee

DeAlva Glenn

BAC Representative - City Council Appointee

Will Peters

Charlotte Mecklenburg Black Chamber of Commerce

Ed Peugh

BAC Representative - City Council Appointee

Ed Roper

Metrolina Minority Contractors Association

Lester Selby

Charlotte Mecklenburg Black Chamber of Commerce

Jonathan Utrup

Charlotte Chamber, Young Professionals

Sandra Wallace

Carolinas Association of General Contractors

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Community Outreach Meeting Feedback

Access to Opportunities*

- Increase the City's RFP solicitation timeframe to allow bidders and subcontractors more time to review and respond.
- Issue smaller contracts to encourage MWSBE participation.
- **Review MWSBE certification eligibility criteria.**
 - Increase financial eligibility requirements; expand geographic area; allow for prior related work experience.
- **Hold quarterly project outreach events.**
- Implement local vendor preference.
- Set higher MWSBE subcontracting goals.
- Incorporate small businesses during the conception and design phase of the project.
- **Seek out MWSBE related services opportunities (drug testing, security, etc. on construction and other projects).**

**Bullets in red represent possible short term actions City staff can address.*

12



Community Outreach Meeting Feedback

Accountability*

- **Increase efforts to ensure Prime's are accountable for meeting MWSBE subcontracting goals and MWSBE outreach efforts.**
- **Increase efforts to ensure departments are accountable for adhering to CBI Policy.**
- Support efforts to confirm MWSBE subcontractor payments.

Bonding*

- Relax bonding requirements.
- **Engage bonding and legal consultants to counsel MWSBEs.**

**Bullets in red represent possible short term actions City staff can address.*

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Community Outreach Meeting Feedback

Education*

- Provide MWSBEs education opportunities.
 - How to successfully qualify and complete City RFPs and RFQs
 - How to successfully estimate and bid a project
 - Blueprint reading
- Establish a Mentor Protégé Program.
- Provide project budget history so MWSBEs can see if their prices are competitive.

Access to Capital*

- Provide quick pay and earlier payment arrangements.
- Access to dollars for mobilization efforts.

**Bullets in red represent possible short term actions City staff can address.*

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Next Steps

Community Input Committee Meeting (April 2, 2015)

- Review community feedback and organize CIC subcommittees around the five identified community priorities.
- Finalize and prioritize potential short and long term actions to enhance MWSBE opportunities.

CBI Office

- Finalize FY16 Department MWSBE Spend Goals.
- Implement quarterly project outreach events beginning June 2015.
- Host education summit in October 2015 that provides information on bidding, estimating, access to capital, as well as a legal and bonding clinic.
- Increase efforts to monitor Prime's MWSBE inclusion efforts.
- Launch Mentor Protégé effort by January 2016.

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Economic Development & Global Competitiveness

FY2016 DRAFT Strategic Focus Area Plan

“Charlotte will strengthen its position as a city of prominence in the global marketplace by building upon its competitive advantages.”

To achieve its vision, the City must leverage partnerships to seize new opportunities in a global marketplace. The City’s economic development strategy will focus on:

- Developing a global logistics center at Charlotte Douglas International Airport,
- Enhancing relationships with our universities and education system to support and commercialize research and technology,
- Targeting industry growth in high-potential sectors, capitalizing on Charlotte’s unique profile,
- Developing neighborhoods and business districts to create places attractive for people to live and businesses to invest,
- Encouraging business expansion by streamlining the regulatory environment, and
- Preparing youth for employment success.

FY2016 Initiatives	Key Indicators
Facilitate the growth of small businesses and high growth entrepreneurs in our community.	<ul style="list-style-type: none"> • Increased utilization of the City’s web portal (CharlotteBusinessResources.com) to meet the needs of emerging and growing small businesses • Source solutions to the City’s needs from local start-ups and small businesses by using the Small Business Services program to match companies with City needs and utilizing the Code for America Charlotte Brigade to create innovative solutions for City Government. • Increased contracting opportunities for small businesses and local minority and women-owned firms through the Charlotte Business INclusion Program • Participation in Community Collaborative(s) to advance technology and promote digital inclusion to startup companies in light of Google Fiber’s planned investment. • Implementation of key Immigrant Integration Taskforce recommendations as approved by City Council.
Promote the holistic development of targeted business districts and neighborhoods.	<ul style="list-style-type: none"> • Private investment stimulated in targeted areas of opportunity. Examples include the Applied Innovation Corridor, the Northwest Corridor, the Eastland area, the West Boulevard area and the Freedom Drive area
Work with universities and the education system, local industry leaders, and other economic development partners to drive global competitiveness in the energy, finance, information technology, logistics, and advanced manufacturing sectors.	<ul style="list-style-type: none"> • Creation of a Global Logistics Center Strategy for the area surrounding the airport by working with Airport’s new Economic Development staff. • Increased leads for foreign direct investment from the International Cabinet and through the International Relations Office • Collaborative partnership with E4 Carolinas in support of Charlotte’s emergence as the center of a two-state energy hub • Re-tooling of the Business Investment Grant program to better align with business needs, partner programs and desired outcomes.

<p>Introduce youth young adults to employment opportunities with potential for long-term growth and development.</p>	<ul style="list-style-type: none">• Increased number of work experiences and summer internships through Mayor's Youth Employment Program.• Community partnerships leveraged to increase the number of apprenticeships in the community• Creation of an apprenticeship strategy.
<p>Grow Charlotte's tourism industry through amateur sports development and programming.</p>	<ul style="list-style-type: none">• Implementation of the Bojangles/Ovens Redevelopment Plan• Identified solutions for amateur sports needs such as swimming, tennis, baseball, and soccer.• Maximized utilization of community-use days at Bank of America Stadium and BB&T Ballpark.



Economic Development & Global Competitiveness

FY2016 DRAFT Strategic Focus Area Plan

“Charlotte will strengthen its position as a city of prominence in the global marketplace by building upon its competitive advantages.”

Goals	Super Measures	FY2015 Outlook
Promote diversity and inclusion of Minority Women Small Business Enterprises (MWSBEs) in the City's contracting and procurement through the Charlotte Business INclusion Policy	<i>Target: 10% MWSBE Citywide Direct Spending</i>	
Promote High Growth Entrepreneurship through increased communications and marketing.	<i>Target: Creation of a Marketing and Communications Strategy to raise awareness of Charlotte as a high growth ecosystem in alignment with the Charlotte Regional Fund for Entrepreneurship and other local programs.</i>	
Leverage public community investment plan investments with the private sector	<i>Target: 10:1 Private to Public Investment</i>	
Participate with other local partners to grow jobs and investments in the energy, finance, information technology, logistics, and advanced manufacturing sectors	<i>Target: create and adopt new and improved policy guidelines for Business Investment Grant Program.</i> <i>Target: Assist with recruitment of new business -Jobs goal: 5625 jobs Investment goal: \$458 million in incremental private investment in Charlotte</i>	
Work with community partners and approve an appropriately sized/resourced pre-apprenticeship program	<i>Target: Continue to grow Pre-Apprenticeship program for Transit Maintenance.</i> <i>Target: Create an apprenticeship strategy.</i>	
Grow facilities and participants for amateur sporting events in Charlotte	<i>Continuing to work through the expansion of amateur sports (indoor amateur sports, soccer, swimming, tennis, and baseball)</i> <i>Target: Grow the economic impact of amateur sports by 50% by the end of calendar year 2016</i>	



Charlotte City Council
Housing and Neighborhood Development Committee
Summary
March 25, 2015

COMMITTEE AGENDA TOPICS

- I. **Housing and Urban Development Five-Year Consolidated Plan (Action Required)**
- II. **Analysis of Impediments to Fair Housing (No Action Required)**

COMMITTEE INFORMATION

Council Members Present: Patsy Kinsey, John Autry, LaWana Mayfield

Staff Resources: Ann Wall, Assistant City Manager
Pamela Wideman, Deputy Director, Neighborhood & Business Services
Warren Wooten, Neighborhood & Business Services

Meeting Duration: 12:00 PM – 12:30 PM

ATTACHMENTS

1. Agenda Packet – March 25, 2015
2. Presentation – 2016–2020 Consolidated Planning, 2016 Annual Action Plan, and Analysis of Impediments

DISCUSSION HIGHLIGHTS

Kinsey: Called the meeting to order and introductions of attendees.

Wideman: Warren Wooten works in Housing Services as the Operations Manager. He has done a wonderful job drafting both the Analysis to Impediments to Fair Housing and our Consolidated Plan.

Wooten: Thank you to the Housing Services staff who have worked very hard putting together the Consolidated Plan and the Annual Action Plan. I think this is old information for everyone, but please stop me if you have a question. Today, we are talking about the Consolidated Plan and the Annual Action Plan. This year is special because the

Consolidated Plan is up, so we have one document with the new five-year Consolidated Plan and the one-year Annual Action Plan. The five-year Consolidated Plan directs the City's use of funding from the U.S. Department of Housing and Urban Development (HUD). This does not take the place of any Council funding decisions; it is simply a plan for how those dollars are used year after year. The Annual Action Plan reviews the same information for a one-year period, which is basically a one-year slice of the five-year Consolidated Plan.

Presentation: Federal Funding Sources

The Consolidated Plan is the City's application for funding. The Plan is what keeps the funds rolling in on these entitlement dollars: the Community Development Block Grant Funds (CDBG), HOME Investment Partnership Program (HOME), Emergency Solution Grant (ESG), and Housing Opportunities for Persons with AIDs (HOPWA) funds. The first step of the Consolidated Plan process is to reach out to partners and stakeholders of these funds and talk to them about the other existing plans and community needs.

Kinsey: How many do we have?

Wooten: We also talk with non-profits agencies. In the context of these meetings, e.g., the Homeless Services Network (HSN) is a network of all of the non-profits that are working on homelessness issues.

Presentation: Schedule

Part of this action will be to request a public hearing at an upcoming Council meeting. We are also conducting public forums this week and have distributed the documents to the public libraries. The documents are also available on our website.

Presentation: Needs Assessment Key Findings

As part of the Consolidated Plan, there are several sections. One is the needs assessment, which includes information about the needs expressed by those non-profit partners and some data provided by HUD. The chart shows the income distributions for the entire city. The Council's programs are targeted at the lower percentages of 30%-50% Annual Median Income (AMI). Homeownership is targeted at 80% AMI. We continue to hear from our partners and evidenced by the data, are the continuing needs of the special needs population. When we talk about special needs population we are talking about the chronically homeless, persons with disabilities, and elderly citizens who need assistance for daily living.

When we look at 30% AMI, we are talking about 36,000 families in Charlotte that have an income at or below \$23,000. We continue to see wage stagnation, particularly in the lower income brackets. We see the housing costs trending up and anticipate that this will continue. When HUD looks at affordability, their definition of affordable is that your housing payment is less than 30% of your gross income. In the 30% and 50% categories of families, there is a deficit in housing. It does not mean the families are homeless, it means they are paying at least 30% or more of their income for housing.

Kinsey: I noticed that 50% of AMI there are more opportunities or units for that group. Do we know a reason for that?

Wooten: When you get to the lower income brackets, you must step up with subsidy in order to create affordable housing. It is hard for the market to create that housing.

Kinsey: But 80% AMI seems to be reverse of that.

Wooten: At that level, you have what looks like a surplus. Some explanation for that surplus is people making more than 80% are renting or buying houses that are much more affordable for them.

Kinsey: Are you saying some of the 80% AMI may be renting some of the units that would be affordable to the lesser AMI?

Wooten: That is certainly possible.

Presentation: Needs Statements.

These statements are consistent with the City's priorities, area plans, and housing plans.

Presentation: Identified Goals

We came up with identified goals consistent with ongoing funding.

Autry: How long could someone receive temporary rental assistance?

Wooten: That fund comes through the HOME program. The contracts can be no longer than two years, but that is renewable. Most of the people who utilize the funds through the City stay for two years or less. In some cases, agencies we support with that funding will renew. The goal typically is to help families move to self-sufficiency.

Autry: Would a potential candidate be on the waiting list for the Housing Authority? Is that program unique to Charlotte?

Wideman: I do not want you to confuse this with the Away Home Endowment for short-term rental assistance.

Wooten: We also identify the resources and funding. This is a projection since we do not know what Congress will do and how that will affect the funds that come into these entitlement programs. The anticipated funding for FY16 Annual Action Plan is a little more accurate because we have some initial information from HUD.

Mayfield: Do we also have our anticipated spend out, so we can look at a comparison of what we get in and what we are giving out to the community?

Wooten: That information is included in the full Plan based on Council's historic action for funding various types of programs.

Mayfield: If we are anticipating about \$10 million, but we are only spending about \$5 million, then there is an additional \$5 million that we should be more proactive with in getting to

those that are in need. I want to make sure we are spending as close to what we have as possible.

Wooten: The plan shows full expenditure of all the dollars you are going to receive. Some of that information will be coming to you on our past performance this year. The Council has approved new projects and the ongoing projects have been very efficient this year.

Presentation: Project Highlights

One of the projects is Heritage Park. Mr. Autry and I walked through this project late last year when Council approved the rehab investment. It is ongoing and you should expect to see an invitation this summer to see this rehabilitation and what they have done to preserve affordable housing.

Autry: I became aware of this issue in March of 2012. I took photos and video. I would be happy to share that with you to show as a comparison.

Mayfield: When we talk about the rehab program in partnership with the LEAD Safe program, do we have dollar limits on how much work needs to be done?

Wooten: We do have dollar limits. That is one of your most subscribed programs. We are working diligently to get as many people through that program as possible. Right now, the limit is \$62,000, but we have been discussing lowering that limit so we can get more families in the program. Lowering the limit would allow us to rehab more houses with the same amount of money.

Wideman: If we were to decide to lower the limits, anyone previously approved would fall under the previous limits when they were approved.

Wooten: This is the end of the Consolidated Plan presentation.

Presentation: Analysis of Impediments

As recipients of HUD dollars, we are required to do an Analysis of Impediments. It analyzes barriers to fair housing in a community and puts together action steps to either eliminate or mitigate those barriers. This plan is up for renewal and is currently out for public comment. These activities are largely done by the Community Relations Committee.

The next steps to consider would be to hold public hearings for both the Consolidated Plan/Annual Action Plan and Analysis of Impediments on April 13, 2015 and consider approval on April 27, 2015.

Kinsey: We need to take action on the Five-year Consolidated Plan.

MOTION made by Council member Autry to hold public hearings on the Consolidated Plan/Annual Action Plan and the Analysis of Impediments to Fair Housing and recommend for Council approval at the April 27, 2015 City Council meeting. Motion seconded by Council member Mayfield.

Vote: Unanimous (3-0)

Wideman: At the next meeting on April 8, we will bring to you the Housing Trust Fund recommendations for your consideration and approval.

On March 31 at 8:30 a.m., we are hosting Ron Terwilliger in the Council Chamber. You should have received information in your Council-Manager Memo a week or two ago.

Kinsey: The next meeting is April 8.

Meeting adjourned.

City Council

Housing and Neighborhood Development Committee

Wednesday, March 25, 2015

12:00 p.m.

Charlotte-Mecklenburg Government Center

Room – 280

Committee Members:

Patsy Kinsey, Chair
Alvin “Al” Austin, Vice Chair
John Autry
Ed Driggs
LaWana Mayfield

Staff Resource:

Ann Wall, Assistant City Manager
Pamela Wideman, Assistant Director, Neighborhood & Business Services

AGENDA

I. Housing and Urban Development Five-Year Consolidated Plan (Action Required)

Attachment #1

Neighborhood & Business Services staff will provide an update on the proposed Five-Year Consolidated Plan and the One-Year Annual Action Plan for Housing and Community Development.

The U.S. Department of Housing and Urban Development mandates the development of a Consolidated Plan every five years and an Annual Action Plan to receive federal funding for housing and community development activities. These plans outline the City’s strategy for providing housing and community development activities within the context of the City’s housing goals, which are to preserve existing housing, expand the supply of low and moderate-income housing, and support family self-sufficiency.

The next steps include a Public Hearing during City Council’s April 13, 2015 Business Meeting, and City Council will be requested to approve the document during their April 27, 2015 Business Meeting.

II. Analysis of Impediments to Fair Housing (No Action Required)

Neighborhood & Business Services staff will provide an update on the Analysis of Impediments to Fair Housing. The United States of Housing and Urban Development mandates that each jurisdiction certify that they are Affirmatively Furthering Fair Housing as a condition of receiving federal funds.

The next steps include a Public Hearing during City Council’s April 13, 2015 Business Meeting, and City Council will be requested to approve the document during their April 27, 2015 Business Meeting.

Distribution:

Mayor/Council
Ron Carlee, City Manager
City Executive Team
Corporate Communications
Anna Schleunes- City Attorney’s Office
Charlotte-Mecklenburg Coalition
for Housing

Holly Eskridge
Randy Harrington
Phyllis Heath
Fulton Meachem
Fred Dodson
Julie Porter
Kim Graham
Chief Rodney Monroe

Willie Ratchford
Ledger Morrissette
Patrick Mumford
Pamela Wideman
Tom Warshauer

FY2016-FY2020 Consolidated Plan and FY16 Annual Action Plan

Executive Summary

ES-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

The City of Charlotte and Charlotte-Mecklenburg Regional Housing Consortium's Five Year Consolidated Plan and Annual Action Plan identifies the City's community development needs and outlines a comprehensive and coordinated strategy for addressing these needs. It serves as the application for funding for the following federal entitlement programs that serve low and moderate income families;

- Community Development Block Grant (CDBG)
- HOME Investment Partnership (HOME)
- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons with HIV/AIDS (HOPWA)

Overview

The City of Charlotte has weathered the worst American economic climate since the Great Depression. The job and real estate markets are both in recovery and families continue to move to the Charlotte Metropolitan Area. Unfortunately the benefits of the recovery are not shared equally; over 67,000 households in Charlotte earn less than \$32,100 a year. Households with this level of income struggle to find decent, affordable housing and housing cost crowds out spending on daily living expenses such as food and transportation.

The need for housing for households at lower income levels remains strong, particularly households with special needs such as members with development disabilities or those living with HIV/AIDS. Recent Department of Housing and Urban Development data indicates a need for over 34,000 housing units affordable to families at or below 50% of median area income. Housing needs are expected to intensify as real estate forecasts indicate market pressures will allow higher pricing on both rental units and for-sale housing. Along with housing, community partners voiced the need for community investments that improve community related infrastructure, sustain existing housing stock and increase economic opportunities.

2. Summary of the objectives and outcomes identified in the Plan

The City of Charlotte's plan builds off the successes of past plans and identifies nine goals for the 2016-2020 plan cycle:

1. Provide temporary rental assistance

2. Finance permanent supportive rental housing
3. Provide opportunities for homeownership
4. Provide programs to support persons with HIV/AIDS
5. Increase the supply of affordable rental housing
6. Improve existing housing stock
7. Support facilities and programs for the homeless
8. Increase neighborhood sustainability
9. Promote business growth and a robust workforce

Some goals will be accomplished through continued funding of the City's housing rehabilitation programs and the HouseCharlotte downpayment assistance program. Other goals will be accomplished by partnering with community agencies to rehabilitate and develop housing, provide emergency utility / rental assistance and support programs that assist families with returning to self-sufficiency. Ending and preventing homelessness continues to be a particular focus for the Charlotte community and this plan. To assist in reaching this goal, the City will continue to provide support for homeless services agencies through support of shelter operations, homelessness prevention and the provision of rental subsidies. Approval of the Consolidated Plan by City Council is a requirement for continued participation in federally funded housing and community development programs. The activities indicated in this plan address three statutory goals set by HUD:

1. Provide Decent Housing
2. Provide A Suitable Living Environment
3. Provide Expanded Economic Opportunities

3. Evaluation of past performance

From 2010 to 2015 the City of Charlotte used HUD funding in varied ways to improve the lives of low and moderate income families in Charlotte. The City of Charlotte provided over 1,000 rehabilitated housing units, funded over 800 units of new construction, approved approximately 1,200 loans for downpayment assistance and funded agencies providing housing counseling, emergency assistance payments, rental assistance, emergency housing services and continued support the ongoing redevelopment of the Brightwalk, a mixed income housing community. The City also provided job creating economic development loans and supported programs that provide educational enrichment activities for children. As the City of Charlotte grows, the need for these activities continues and services such as these play an important role in creating diverse, healthy and vibrant communities for all Charlotteans.

4. Summary of citizen participation process and consultation process

The City of Charlotte is committed to ensuring all Charlotte-Mecklenburg residents have the opportunity to learn, understand and provide comments regarding City plans. The Citizen Participation discussed in this section is underway and will be completed on April 27, 2015. Prior to developing the plan, the City consulted with its housing and community development partners. These groups included nonprofit organizations, the Charlotte Apartment Association, the Charlotte Mecklenburg Coalition for Housing, the Community Relations Committee, Carolina's Care Partnership, the Continuum of Care, the Charlotte Housing Authority and the Charlotte Mecklenburg Housing Partnership.

Based on partner feedback, a needs assessment, and market analysis, the City developed a draft plan that was presented at three community forums, one of which was provided in Spanish. The draft plan was made available for 30 days for review and comment online and at Mecklenburg County libraries. Finally, City Council will hold a public hearing prior to approving the plan. This City conducts citizen engagement that results in better plans that more wholly reflect the needs and aspirations of all Charlotteans.

5. Summary of public comments

Public comment process underway.

6. Summary of comments or views not accepted and the reasons for not accepting them

Public comment process underway.

7. Summary

The City of Charlotte embraces its responsibility to serve all Charlotteans, support diverse communities and build neighborhoods that are healthy and vibrant. This Consolidated Plan provides tools to continue this work through 2020. The plan emphasizes the City's role as a partner in a larger coalition of agencies providing diverse housing and services to the citizens of Charlotte Mecklenburg.



**2016 – 2020 Consolidated Planning
2016 Annual Action Plan
Analysis of Impediments**

Housing & Neighborhood Development
Committee
March 25, 2015



What is the Consolidated Plan?

The Consolidate Plan directs the City's use of funding from the U.S. Department of Housing and Urban Administration for a five year period by:

- Reviewing market conditions
- Assessing housing and community development needs and sets priorities
- Identifying resources
- Setting goals



What is the Action Plan?

The Annual Action the City's use of HUD funding for a one-year period by:

- Providing information on anticipated resources and proposed uses, and
- Describing anticipated outcomes



Federal Funding Sources

- **Community Development Block Grant** — The CDBG program is a flexible program that provides communities with resources to address a wide range of unique community development needs.
- **Home Investment Partnership** - The HOME program provides funding for activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people
- **Emergency Solutions Grant** — The ESG program provides funding for homelessness prevention and rapid re-housing. Funds are available for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and data collection through the Homeless Management Information System.
- **Housing for People With Aids** - The HOPWA Program is dedicated to the housing needs of individuals and families living with HIV/AIDS.



Partnering Organizations

Engage stakeholder organizations to align and coordinate community development programs with a range of other plans, programs and resources to achieve greater impact.

- Homelessness Services Network
- Charlotte Mecklenburg Housing Partnership
- Continuum of Care
- Carolina's Care Partnership
- Charlotte Housing Authority
- HOME Consortium Members
- Nonprofit Housing Providers/ Developers
- Greater Charlotte Apartment Association
- Charlotte Mecklenburg Housing Coalition
- Community Relations Commission



Schedule

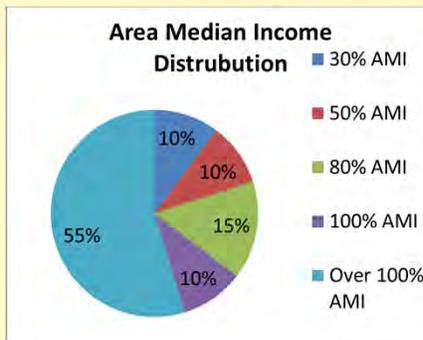
Date	Task
May 2014	Neighborhood & Business Services internal consultations
August – October 2014	External consultations
November 2014 - March 2015	Complete draft Consolidated Plan
March 2015	Public comment and hearing
April 2015	City Council Public Hearing and Approval
May 2015	Consolidated Plan submitted to HUD



Needs Assessment Key Findings

Key Findings

- 36,435 households at 30% or below Area Median Income, 35,105 below 50%
- Special needs groups have continuing high levels of housing needs



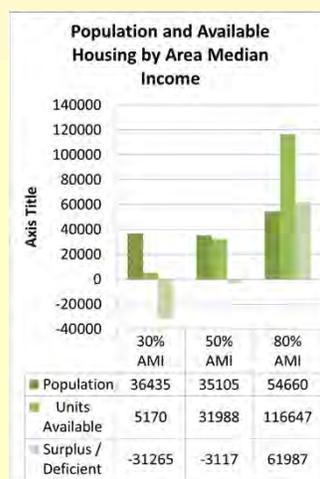
% Area Median Income	Income Maximum (Family of Four)
30%	\$23,850
50%	\$32,100
80%	\$51,350



Market Analysis Key Findings

Key Findings

- Market recovering from recession
- Good mix of industries
- Increased jobs, wage stagnation
- Supply of housing for low income households critically low
- Housing cost trending up



	Identified Needs
<ol style="list-style-type: none">1. Short term rental assistance2. Rental housing providing supportive services3. Affordable rental housing units4. Financial support for homebuyers5. Improvements to existing housing stock6. Community facilities and infrastructure7. Focused neighborhood redevelopment8. Grow businesses and a robust workforce	

	Identified Goals
<ol style="list-style-type: none">1. Provide temporary rental assistance2. Finance permanent supportive rental housing3. Provide opportunities for homeownership4. Provide programs to support persons with HIV/AIDS5. Increase the supply of affordable rental housing6. Improve existing housing stock7. Support facilities and programs for the homeless8. Increase neighborhood sustainability9. Promote business growth and a robust workforce	



Consolidated Plan Funding

Estimated FY16 - FY20 Funding

Anticipated Resources	Funding
Community Development Block Grant (CDBG)	\$27,100,000
HOME Investment Partnership Program (HOME)	\$11,500,000
Housing Opportunities for Persons with AIDs (HOPWA)	\$8,500,000
Emergency Solutions Grant (ESG)	<u>\$2,100,000</u>
Total	\$49,200,000



Annual Action Plan Funding

Anticipated FY16 Funding

Anticipated Resources	Funding	%
Community Development Block Grant (CDBG)	\$5,433,380	52%
HOME Investment Partnership Program (HOME)	\$2,710,490	26%
Housing Opportunities for Persons with AIDs (HOPWA)	\$1,794,703	17%
Emergency Solutions Grant (ESG)	<u>\$444,353</u>	5%
total	\$10,382,926	100%



FY2014 Performance Results

- Constructed & Rehabilitated **422** affordable units.
- Brought **2,373** housing units into compliance with City Housing Code.
- Served **1,043** children through Out-of-School time activities.
- Assisted **5,814** persons through the Emergency Solution Grant Programs.
- Provided **265** families with down payment assistance.



Project Highlights





Analysis of Impediments

- A review of impediments or barriers that affect the rights of fair housing choice.
- Covers public and private policies, practices, and procedures affecting housing choice.
- Includes a plan to affirmatively further fair housing.
- Impediments to Fair Housing Choice include actions, omissions, or decisions which restrict housing choice because of protected class status.



Analysis of Impediments

- Entitlement jurisdictions must certify that they are Affirmatively Furthering Fair Housing (AFFH) as a condition of receiving federal funds from HUD
- Certification means:
 - Conduct an Analysis identifying impediments to fair housing
 - Take action on impediments
 - Maintain records of actions



Next Steps

- On April 13, 2015, a Public Hearing will be held for the Consolidated Plan/ Annual Action Plan and Analysis of Impediments to Fair Housing, during the Council Meeting.
- On April 27, 2015, City Council will be requested to approve the Consolidated Plan/ Annual Action Plan and Analysis of Impediments to Fair Housing during the Council Meeting.