



WHAT'S INSIDE:	<u>Page</u>
<u>Agenda Notes:</u>	
Agenda Item #38 – Airport Concourse A Signage Design	2
Agenda Item #53 – Water and Wastewater Treatment Chemicals.....	2-3
<u>Information:</u>	
Internal Audit Report – Union County Wastewater Treatment Contract	3
Neighborhood Exchange & Leadership Awards	4
Comprehensive Transportation Plan Open Houses.....	4-5
<u>Attachment:</u>	
April 14 Economic Development & Global Competitiveness Committee Summary.	5

AGENDA NOTES:

Agenda Item #38 – Airport Concourse A Signage Design

Staff Resource: Jack Christine, Aviation, 704-359-4932, jlchristine@cltairport.com

At next Monday's Council Business Meeting, the Airport will bring forward a Request for Council Action to enter into contracts with Gresham Smith and Partners for Concourse A signage design.

One of Aviation's six guiding principles is Customer Focus and providing a superior travel experience. With 96 gates located throughout a 1.8 million square feet terminal building and expansive parking operations, signage is an important component of providing a superior travel experience.

On December 14, 2015 City Council approved a Signage and Wayfinding Master Plan contract. The Signage and Wayfinding Master Plan is a three part process, which includes an assessment of all existing signage, the development of a comprehensive signage and wayfinding plan, and a documented set of signage standards that will be used by other architectural and engineering firms to complete signage design documents for future projects. The Signage and Wayfinding Master Plan is currently progressing on schedule and on budget. It is scheduled for completion in December 2016.

As the Signage and Wayfinding Master Plan progresses, the Airport continues to build rapidly to meet customer demand. To ensure that the Airport's immediate expansion and renovation projects are signed consistently with the Signage and Wayfinding Master Plan that is under development, the Airport is recommending that Gresham Smith and Partners complete the design for two sign packages that are needed to maintain construction schedules on Concourse A.

The Airport will bring forward future contracts to design signage for the renovations of Concourses B, C & D, and the Atrium, the East Terminal Phase II Expansion, and the Elevated Roadway projects.

Agenda Item #53 – Water and Wastewater Treatment Chemicals

Staff Resource: Barry Gullet, Charlotte Water, 704-336-4962, bgullet@charlottenc.gov

Item #53 is one of a number of Consent items on Monday's agenda that support Charlotte Water's continuing approach to delivering clean drinking water to the community, maintaining infrastructure, and protecting the environment. Additionally, Item #53 highlights an innovative approach to procurement. Chemicals for Water and Wastewater Treatment are critical components of Charlotte Water's operating environment. As identified in the Council Action, Charlotte Water's procurement team used a reverse auction to obtain the best possible pricing for process chemicals.

This type of auction reverses the role of buyer and seller, whereby the sellers (registered vendors) compete to provide chemicals to Charlotte Water by underbidding each other throughout a timed, monitored bid period. North Carolina General Statutes provide for this type of procurement through a Reverse Auction Service Provider. Based on the success of this effort, Charlotte Water will continue to examine options for extending usage of this unique procurement method to other areas of the department.

INFORMATION:

Internal Audit Report – Union County Wastewater Treatment Contract

Staff Resource: Greg McDowell, Internal Audit, 704-336-8085, gmcowell@charlottenc.gov

In response to Charlotte Water’s standard practice of reviewing agreements, Internal Audit reviewed the Union County Wastewater Treatment Agreement through FY15, performing the following procedures:

- Reviewed the contract agreement to determine what expenses are allowed.
- Analyzed the revenue and expense activity related to this contract from June 2014 through June 30, 2015 through Munis (the City’s ERP system).
- Reviewed and verified for accuracy related to information from Munis the FY15 annual report provided to Internal Audit by Charlotte Water detailing the Union County Wastewater Treatment Plant operations.

Findings:

1. Revenues exceeded expenses by \$580,797 for FY15.
 - Charlotte Water provided perspective to the matter of revenues exceeding expenses, and that response is included after finding #1. After providing a draft report to Union County for review, Charlotte Water provided a response, which is included as Attachment B to the final report.
2. Detail testing for two months during FY15 found no unallowable expenses.

An agreed upon procedures engagement presents findings, but provides no assurance on the reliability of the underlying evidence.

A copy of the final report is attached below.



UCWWTP Final -
062116.pdf

Neighborhood Exchange & Leadership Awards

Staff Resource: Keith Richardson, NBS, 704-336-2753, kmrichardson@charlottenc.gov

At the Dinner Briefing on Monday, May 23, Neighborhood & Business Services staff presented to Council an overview of the planning for the 2016 Neighborhood Exchange & Leadership Awards, which is scheduled for Saturday, October 1. The event will feature networking opportunities, workshops, and an awards luncheon for neighborhood leaders and stakeholders. The Save-the-Date promotion began this month, which included both digital and print communications.

For Council's convenience and distribution, copies of the attached Save-the-Date card have been placed in today's Council packets. An electronic version is also attached below. Neighborhood stakeholders can also receive more information at the event's [website](#). By going to the site, visitors can sign up to receive immediate notification when registration starts in late July. This year, participants will be able to register online or via a printed registration form.



NEXLA Save the
Date.pdf

Comprehensive Transportation Plan Open Houses

Staff Resources: Danny Pleasant, CDOT, 704-336-3879, dpleasant@charlottenc.gov

Norm Steinman, CDOT, 704-336-3939, nsteinman@charlottenc.gov

In May, the Charlotte Regional Transportation Planning Organization (CRTPO) began collecting public comments about the Comprehensive Transportation Plan (CTP). As part of their public engagement activities, CRTPO will host a series of Open House events to allow the public to ask questions and/or provide comments about the CTP. Three of those Open House events will be held in Charlotte. City staff will be in attendance to address questions and comments about the Charlotte portion of the CTP. The Charlotte Open Houses include:

Wednesday, June 29
10:00 a.m. - 12:30 p.m.
University Regional Library
301 East WT Harris Boulevard

Monday, August 1
10:00 a.m. – 1:00 p.m.
West Boulevard Library
2157 West Boulevard

Friday, August 5
10:00 a.m. – 1:00 p.m.
South County Regional Library
5801 Rea Road

The CTP consists of four maps that illustrate staff's current assessment of the travel networks for motorists, bicyclists, pedestrians, transit riders, and freight. CDOT staff worked with staff from CATS, other local governments, CRTPO, and NCDOT to ensure that the CTP reflects the City's adopted plans and policies. The CTP is a complement to other City transportation planning efforts underway. The CTP is expected to be adopted by the CRTPO this fall. More information about the CTP is available at <http://crtpo.org/comprehensive-transportation-plan>.

ATTACHMENTS:

April 14 Economic Development & Global Competitiveness Committee Summary



EDSummary4-14-16.
pdf

**CITY OF CHARLOTTE
OFFICE OF INTERNAL AUDIT**

Independent Report of Internal Audit

To: City Manager's Office and Charlotte Water

June 21, 2016

From: Greg McDowell, City Auditor

Re: Union County Wastewater Treatment Agreement – Agreed Upon Procedures

We have performed the procedures detailed below, which were agreed to by the Director of Charlotte Water, solely to assist in evaluating the agreement between Union County Public Works and Charlotte Water related to wastewater treatment plant operations, and to determine if revenues exceeded expenses for fiscal year 2015. Charlotte Water's management is responsible for the operation of wastewater treatment plants related to this agreement. This agreed-upon procedures engagement was conducted in accordance with Generally Accepted Government Auditing Standards, which incorporate financial audit and attestation standards established by the American Institute of Certified Public Accountants (AICPA). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Background

Charlotte Water entered into an agreement with Union County Public Works to provide operation and maintenance services for five wastewater treatment facilities. On June 1, 2014, Charlotte Water began operations at these facilities:

- Twelve Mile WRF – designed to treat up to 6.0 Million Gallons per Day (MGD)
- Crooked Creek WRF – designed to treat up to 1.9 MGD
- Grassy Branch WWTP – designed to treat up to 0.050 MGD
- Tallwood Estates WWTP – designed to treat up to 0.050 MGD
- Olde Sycamore WRF – designed to treat up to 0.150 MGD

The agreement outlines the operation, maintenance, and staffing requirements for the five plants, in addition to the development of several programs, improvements, and plans that must be implemented. The first fiscal year of contract operations has been completed. Under the agreement, Union County will pay an annual fee of \$2,227,402 to the City, payable in equal monthly installments of \$185,617.

Overall, the Personal Services, Operations, and Overhead budget for fiscal year 2015 was \$2,227,402. Expenses for Chemical Treatment through the year-end were projected to be \$380,000. The expenditures for Corrective Maintenance were budgeted at \$300,000. Chemicals and corrective maintenance expenses will be incurred by the City and reimbursed by Union

County as the expenses are submitted. These particular expenses (along with others listed in the agreement) are not covered under the base compensation fee that is paid monthly to the City.

Agreed-Upon Procedures

At the request of the Director of Charlotte Water, we have performed the agreed-upon procedures (AUP) which follow:

- Review the contract agreement to determine allowable expenses
- Analyze revenue and expense activity related to this contract from June 2014 through June 30, 2015 using Munis (the City's ERP system)
- Review the FY15 Annual Report provided to Internal Audit by Charlotte Water, detailing Union County Wastewater Treatment Plant Operations (UCWWTP) for accuracy related to information from Munis
- Present our findings to the City Manager's Office

Findings

1. Revenues exceeded expenses by \$580,797 during FY15.

Audit staff obtained data from the City's ERP system, Munis, using the trial balance report as well as the general ledger transaction detail report. Revenues related to the UCWWTP agreement were posted into two accounts (UC Admin and UC Operating). Revenues reported for FY15 totaled \$2,991,709. This revenue amount is comprised of the base monthly compensation paid by Union County to City as established in the agreement, as well as any reimbursements for expenses paid by the City that are not covered in the base compensation amount (e.g. chemicals).

Related expenses were obtained from Munis using the same manner described above. The two broad expense categories were personal services and operations. Expenses reported for FY15 totaled \$2,410,912. Personal services accounted for \$1,005,510 of expense, while operations were \$1,405,402. See Attachment A for a schedule of expenses for FY15.

Response: Charlotte Water does incur some risk in operating the Union plants and the ability to earn revenues in excess of expenses recognizes that risk. Charlotte Water is entitled to retain the excess revenue under the terms of the agreement. The additional revenue earned in the first year may be needed in the future in the event some of the risks are realized and costs exceed that year's revenue. Charlotte Water's agreement with Union County is designed to protect Charlotte Water ratepayers from exposure to risks associated with operating Union County facilities.

2. Detail testing for two months during FY15 found no unallowable expenses.

Auditors randomly selected two months during FY15 to analyze expenses. Munis' Tyler Content Management (TCM) document storage system was used to review invoices, quotes, and receipts related to the agreement for the two months. P-card statements were reviewed

for two cardholders, and all expenses were traced from the card statements back to the transaction detail. Audit staff found no unallowable expenses per the UCWWTP agreement.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the operations per the agreement. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for information and use of the City Manager's Office, Charlotte Water and City Council, and is not to be and should not be used by anyone other than these specified parties.

Charlotte Water - Union County Wastewater Treatment Plant Agreement
Schedule of Expenses
For the Year Ended June 30, 2015

Description (Per Munis)	Adopted Budget	Revised Budget	Actuals
Salaries & Wages - Regular	\$ 952,111	\$ 952,111	\$ 719,769
Overtime	39,816	39,816	40,627
Workers Comp Transfer	3,500	3,500	-
Employee Merit Pay	23,128	23,128	-
Social Security Tax	77,652	77,652	53,534
Empl Retirement Expns	75,317	75,317	52,905
Empl Insurance Premium	118,932	118,932	118,932
401K Retirement	30,452	30,452	19,742
Personal Services	1,320,908	1,320,908	1,005,510
Uniforms-Prot Clothing	14,625	14,625	9,890
Auto & Othr Allowances	1,530	2,950	6,767
Meals and Subsistence	750	750	563
Maintenance Materials & Suppli	110,000	110,000	53,571
Fleet ISP - M&R-Auto/Equipment	54,255	66,196	23,182
M&R-Buildings	-	-	3,372
ISP M&R-Bldg Renov and Cons	-	11,350	11,350
Lubricants for Specialty Equip	4,826	4,826	-
M&R-Other	527,962	531,712	563,969
Prof & Technical Services	-	-	9,060
Chemicals & Lab Supply	10,000	10,000	29,799
Chem For Water Trtmt	380,000	396,666	231,273
Utilities - Water	1,575	1,575	42,886
Fees-Laboratory Testing	189,047	189,047	221,678
Safety Costs	14,265	14,265	3,630
Education	-	-	2,511
Landfill Services	22,841	22,841	50,872
Security Services	-	-	100
Misc Contractual Services	14,390	14,390	4,989
Motor Fuels & Lubrcnts	42,735	42,735	16,231
Janitorial & Cleaning Supplies	3,274	3,274	3,686
Specialty Departmental Supplie	-	-	9,962
Equipment Maintenance	-	-	3,448
Sm Tools & Expnd Eqpt	8,650	8,650	28,232
Office Supplies	5,500	5,500	4,762
Technology Services	86,608	86,608	24,555
Other Materials/Supplies	-	-	27,338
Telecommunications	32,578	32,578	9,072
Licenses And Taxes	17,710	17,710	400
Rental Of Equipment	33,200	33,200	275
Travel & Meetings	124,229	124,229	520
Training Conf & Meetings	21,313	21,313	4,045
Postage	1,300	1,300	154
Printing & Publishing	2,000	2,000	-
Dues,Subscr, & Prof Lic	3,471	3,471	631
Pcard expense - unallocated	-	-	2,629
Unexpendable Appropriations	152,000	152,000	-
Operating Expenses	1,880,634	1,925,761	1,405,402
Fund Total	\$ 3,201,542	\$ 3,246,669	\$ 2,410,912



DATE: June 9, 2016

TO: Gregory L. McDowell, CPA, CIA – City of Charlotte Auditors Office

FROM: Barry Gullet, Director - Charlotte Water

SUBJECT: Response to Audit Report-
Agreed Upon Procedures Union County Wastewater Treatment Agreement

Charlotte Water and Union County Public works have both reviewed the audit completed by the City of Charlotte Internal Audit Department. We are in agreement with the findings. The agreement between the City of Charlotte and Union County specifically addresses compensation for services, certain fixed operating costs and costs that are directly passed through to Union County. As stated in the audit, in FY15, the revenues received by the City of Charlotte exceeded expenses. Charlotte Water worked closely with the Finance Accounts Receivable staff to ensure consistent revenue monthly billing for MOU billable services. The negotiation of the contract took into account certain major operating expenses such as chemicals, power and maintenance and the potential for more fluctuation and impact on the overall budget. There is language in the agreement that provides for major changes to the operations or regulatory requirements which may require an agreed to base pay adjustment. We complete a monthly review of operations and budget with a compilation of a yearly report. A budget review is completed annually. The agreement also includes the opportunity for either City of Charlotte or Union County to conduct audits at any time within the said notice. We appreciate and welcome these opportunities for the oversight and review of this Agreement with Union County.





SAVE THE DATE

Saturday, Oct. 1, 2016 • 8 a.m.-2 p.m.
Charlotte Convention Center

NEIGHBORHOOD EXCHANGE & LEADERSHIP AWARDS

Planning is underway, and required registration starts soon.

We need your help in the planning effort. From the list below, please mark 5 topics that interest you most and mail us the card or give your input online at charlottenc.gov/nex.

- Diversity & Inclusion
- City Planning 101
- Planning & Visioning for Neighborhoods
- Neighborhood Branding
- Implementing Innovation
- Police & Community Relations
- Leadership Development for Youth
- Creating Effective Neighborhood Associations
- Ideas for Successful Community Projects
- Leadership Development
- Government 101

Have you attended a previous Neighborhood Leadership Awards event? Yes No

Additional Suggestions: _____

EXCHANGE OF IDEAS PERSPECTIVES APPRECIATION

Please join us for the Neighborhood Exchange & Leadership Awards on Oct. 1.
This free event is for neighborhood leaders and stakeholders like you to:

- Network and share innovative ideas with your neighbors across Charlotte-Mecklenburg
- Participate in workshops and panel discussions about issues that matter most to your community
- Celebrate community leaders and organizations that do great work in Charlotte neighborhoods

For more information on this FREE event, visit CharlotteNC.gov/nex or call 704-336-3380.



Please place
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**NEIGHBORHOOD
EXCHANGE**

& LEADERSHIP AWARDS

**600 E. Trade Street
Charlotte, NC 28202**

COMMITTEE AGENDA TOPICS

I. City Protocol Society

Action: Last January, City Council approved a one-year membership for Charlotte with the City Protocol Society. The City Protocol Society is a global nonprofit community of cities, corporations, academic and nonprofit organizations taking collaborative action to help cities face their challenges together and enable the development of more sustainable, efficient and innovative solutions for city initiatives. Staff will provide the Committee with an update on being a member of the City Protocol Society and recommend the City renew its membership for another year.

II. Regulatory User Fees Policy

Action: Staff will provide results of conversations held with industry stakeholders in response to the recommended Regulatory User Fees Policy. Staff is requesting the Committee support the recommended Regulatory User Fees Policy and forward to the full Council for consideration at the April 20th Budget Workshop.

III. Midtown/Pearle Park Redevelopment Project

Action: On October 15, 2015, Pappas Properties introduced their proposed redevelopment project located near the intersection of Pearl Park Way and Kenilworth Avenue. During the last meeting, Pappas Properties/Terwilliger Pappas provided an overview of their project and began discussing their request for the City's financial participation in certain public infrastructure improvements through a Tax Increment Grant (TIG) agreement. During today's meeting, representatives from Pappas Properties/Terwilliger Pappas will present an update of their proposed mixed-use development project, an overview of the general components of a public-private partnership and the anticipated next steps to implement the redevelopment in such a manner that benefits the community. No action is required.

IV. Future Meeting Topics

COMMITTEE INFORMATION

Council Members Present: James Mitchell, Vi Lyles, Julie Eiselt, LaWana Mayfield and Ed Driggs

Guests: Ann Clark, Peter Pappas, Jim Schumacher & Wade Finger

Meeting Start & End Time: Noon –1:25 p.m.

ATTACHMENTS

1. Regulatory User Fees Policy Presentation
2. Regulatory User Fee Policy Meeting Tour Handout
3. Pearle Street Park Public Infrastructure Improvements Presentation

DISCUSSION HIGHLIGHTS

Mitchell: Chairman Mitchell welcomed everyone to the meeting and asked for introductions. Thank you everyone. We have adjusted the schedule somewhat due to some time constraints, so we are actually going to do Regulatory User Fees first. And then we will do City Protocol second and then we will finish up with Midtown/Pearle Park Redevelopment.

Kimble: I know that Mr. Mitchell may have to leave a little early. Ms. Lyles will take over and then she has to leave somewhere around 1:10, so we will make sure that we give you as much information as we can in the

Economic Development & Global Competitiveness Committee
Meeting Summary for April 14, 2016
Page 2

short amount of time. User Fees is first. Ms. Campbell and Mr. Davis are here to make a presentation to you. There will be a staff recommendation to the Committee and we would like the Committee then to take action for a recommendation to Council.

REGULATORY USER FEES POLICY

Campbell: Thank you Ron and thank you Mr. Chairman and Committee Members. As you heard, we are here to request action on a recommended policy that staff has developed. We've been to you on a number of occasions, and by way of the presentation and the content of our presentation, Mike Davis is going to manage the bulk of this presentation and cover the things that you see outlined on the first slide. I will note again that we are here for a recommendation for action from you. Lastly, I would like to thank the eight departments that have worked with me and Budget staff and with Mike and Engineering & Property Management on developing these recommendations, have attended some of the listening tours that we went on with regard to stakeholders to get feedback on the policy. With that, I will turn it over to Mike Davis to provide the presentation.

Davis: Thank you. The first four slides of the presentation are all review from prior Committee discussions and I will move very quickly. Let's look at now, if appropriate, just in terms of what these are. Of course, these are, user fees are the way that the City recovers its cost for regulatory service delivery, so it is literally what we pass onto those users to pay for those services. We talked about how they are calculated. It is a pretty simple thing. It is what it costs to deliver the service divided by how many of those services we are going to deliver, how many occurrences are in them, and that becomes the user fee. Part of our first Committee discussion was to set the table for what the significance of the policy is because it essentially establishes that whatever costs are not recovered directly by user fees, there is going to be remainder where these get subsidized out of the General Fund. The City's policy since 2006 has been to seek recovery of 100% of its costs and the trend that we have kind of talked about and have been working on over the last few years is to get to 100%. It is not where we have been, so coming out of the recession, you can kind of see the steady climb and, of course, part of what got us here, you see where that dips down from the 93.8 to the 92.4, that was the point where there were some adjustments made in the final budget last year on a few, five in fact, user fees that were thought to be too big a jump, and they were adjusted down to an 80% recovery rate. So that was the effect of how the overall trend went.

At our second Committee meeting, we talked about what we were finding in terms of what other communities do, both locally and nationally. So I have shortened what that summary is here for you today. I think the key takeaway is that one, our recovery practices are consistent with the best practices nationally. Our policy recovery rate of 100% is both consistent with what many other cities do and with what consultants seem to recommend and they both practice, and that the research does support the practice of including subsidies for certain situations based on certain defined rationale, and so that led us to a recommendation to you, our last Committee meeting, to sort of two parts.

The first part is to continue on with the Council policy to recover 100% of its costs for regulatory services for user fees and, two, build into the policy what has been both a tradition of the City and what is recommended by consultants that there are certain things you should have a subsidy, and they are mentioned here, avoid significant jump from one year to the next in cost, you try to level that out. Two, ensure that you are not setting prices so high in some cases that people try to bypass that program altogether, and then three, there could be circumstances under which there is perceived to be a public benefit and that should come into play. At the end of that last meeting, our charge was to go off and test that with stakeholders which we have done. It has been an active month of March. We met with seven different industry groups on those dates, all totaled about 80 different people we interacted with

representing developers, design professionals, contractors, and in some cases citizens serving on appointed advisory roles.

What I have to now do is take some liberty with what, and we got a lot of feedback, we have to sort of distill that down, and so there is a packet or a one-page handout included in your packet that is our full accounting of what those conversations were, and we want to make sure the public is aware. I know the website, it will pop up here in a second, is a place people can go to see the summary if they do not have access to it in front of them, but we basically asked two questions. One, what do you think about the policy to recover 100% and sort of how does that affect your business, and the other is one I will get into a minute about sort of the exceptions, but what we heard from the discussion about 100%, and you will see, all these answers don't equally fit into the question, but we want to capture them because they are ones that were really got the most discussion, but one was sort of the notion that that policy is flawed because there is always a public benefit derived from projects. Basically, you can argue that for any type of user fee. There is going to be some public benefit. I am going to come back to how we have reacted to that comment. Two is the costs of higher user fees are passed along to end users. The City needs to be mindful about the impacts being passed along as it relates to the goals for affordable housing. We talked about this with the Committee one day, but we heard it as well from stakeholders that developers do not have a choice to comply with the City's regulations or who provides those services, so that there is no competitive force acting upon us, although we are competitive as a market and want to think of ourselves that way at the end of the day. 100% recovery could jeopardize the City's ability to sustain proper staffing levels if conditions fluctuate and, by the way, we can get into these if you have concerns about them, but again, this is just kind of what we heard. There was a lot of discussion in the Charlotte Water stakeholder groups about whether or not Charlotte Water should be treated differently considering it is an Enterprise Fund. In the end, our assessment is the fundamental policy considerations are the same. It is about what is subsidized from a ratepayer's perspective as opposed to General Fund taxpayers. For most projects, asterisk on most, user fees end up constituting a small percentage of the total cost to do development, and then land development fees, we did react to some information, saw some information, and talked about some fees being higher, considerably higher than other North Carolina cities. One thing I skipped over, I did not reinforce that the background is that we did spend some time in Committee talking about how difficult it is to make apples to apples comparisons, but we know that some of our fees are higher.

The other question we asked is what feedback do you have about the criteria used for the exceptions applied to recovery rate. So, one, many activities have public benefit. Again, I am going to come back to that, but part of that is about increased tax base. Another is that on the Charlotte Water side that donated water facilities generate revenue that perhaps should be considered as a direct public benefit. But, by and large, I think people thought these were the right criteria of exceptions. They seem intuitive and have been consistent with what the City's practices have been. So, again, that full summary should be available in the handout here but to anyone who wants to find it online, Development.Charmeck.org has that posted.

So what that meant to us after listening to that feedback and spending a lot of time talking about how do you quantify the public impact fees, we continue to think its the right approach to have a rationale that can cause the City to have a subsidy for some activities with public benefit, but we think that the language needs to be constructed differently than what we put in front of you last time, so this is the new language so that you can, to give you the full effect, the policy should include the ability for the City Manager to recommend exceptions to the 100% regulatory user fee recovery in order to account for service costs that may include or be dedicated to public involvement. So what that really means is it's virtually impossible to quantify the total impact or benefit to the public on these services but what we can do as somewhat in correlation is gauge it based on what level of public engagement there is in that process and how much of a staff effort was associated with that activity.

Economic Development & Global Competitiveness Committee
Meeting Summary for April 14, 2016
Page 4

Campbell: And how much the General Fund should pay.

Davis: And, therefore, how much the General Fund should pay because that would literally be paying for that public engagement.

That was the updated recommendation and we are now focused in terms of the overall flow of events is looking ahead to the April 20 Council Budget Workshop. Excuse me, today, we will be asking for your recommendation to go forward with that policy. That would then be taken up by the full City Council with next week's budget workshop and then ultimately reflected in the City Manager's recommended budget.

Mitchell: Questions Committee?

Eiselt: I have just a technical question. What's an example of user fee that we charge that is not a regulatory user fee that would fall outside of this?

Davis: Nonregulatory user fee?

Dasch: My name is Alicia Dasch. So in your FY16 adopted SOP book, we include a full list of all the regulatory and nonregulatory fees for you to view. That is also posted online at Charneck.org. Some examples of nonregulatory fees would be for the Aviation Department such as the airline fees, ground transportation operators, and parking fees.

Eiselt: Okay.

Dasch: You want more?

Eiselt: No, I just thought it would be helpful to kind of explain that. I guess for people to understand most fees of services that they use day-to-day are regulatory fees. Thank you.

Campbell: Thank you. So we have about 200 or so fees, with 117 of them being regulatory.

Dasch: Actually, more than that.

Eiselt: Thank you.

Driggs: Mike, it is good to see you again. The last time we were talking about cell poles. Did you say that water is analagous to the other things that should be regarded the same as the others?

Davis: I think you can create a pretty good parallel if you think back to those bubbles that we have used as a sort of set of fundamental tradeoff of how you pay for service. The substitute here would be, it is still the user fee in the green circle but in the red circle, that would be the Enterprise Fund that is paid by ratepayers. So whatever that user is not paying directly for the service, the general ratepayer has to pay the remainder, but it is contained entirely within the Enterprise budget.

Campbell: And because it is a department of the City of Charlotte that the policy of how you assess a regulatory fee would be considered.

Driggs: I'm just interested in the analogy to our conversation about Solid Waste Services. I don't think we are being consistent in terms of how we apply user fees. Basically, if we require that everybody pay for Solid Waste Services through some mix of their property tax and a fee that is assessed by the City, and that is a genuine service. I mean that involves removing the trash show up in the streets. I think there is a public interest component in a lot of these things as well. When you are required to submit to inspections and things for buildings, the public benefits from that, particularly if there are buildings in which members of the public out of work or shop. So I guess I'm going to be looking with particular interest at two things, and for one, what is the accountability to people who pay the fee for the calculation of the cost, because we are allocating overheads and things, and it's a mandatory fee. If you just tell them, "you have to have this inspection and you have to pay this fee and this is how much it is." I certainly would like to see accountability. I want to make sure that we are not impairing our competitiveness with other cities and, in particular in that context, it would be nice if we could see any fees associated with development assessed in conjunction with progress on the Gartner issues. I think there's a lot of sensitivity about seeing these fees go up in that sector without any improvement in the service issues have been highlighted by Gartner, so I hope we can achieve that. My last question is what exactly is it, are you asking us today to agree with the principles, the three principles that you articulated? So we do not know exactly what the impact is on individual fees is the result of what is recommended today.

Campbell: The question about what are we asking you is to adopt the policy and the policy has two pieces. One to recover at 100% in terms of the rate and then secondly to provide the City Manager with the flexibility to apply some of this, the three criteria in cases for fees that may meet avoid a significant jump, ensure regulatory compliance, and account for the third one, and the reason that, again, that we are asking for a little bit of flexibility is because we have gone through and discussed all of the regulatory fees to put them kind of through this type of screening. We think that some fees in particular like the rezoning process meets that third level that the rezoning process may not get to 100% recovery, particularly for 17, but that we need to continue to think through how much those fees would recover.

Driggs: We already have an adopted policy of 100% fee recovery, right?

Campbell: That is correct.

Driggs: So in effect, you are asking to reaffirm that.

Campbell: That is correct.

Driggs: In conjunction with a clarification on these issues.

Campbell: To reaffirm practice, because actually we have been doing these things.

Driggs: And I think I mentioned last time, if that is where we are going and I see the, I guess the logic of people could recognize the public involvement, which to me is the public, the overall kind of component that benefits the public and not who is paying the fee.

Campbell: Yes sir.

Driggs: Right. So we are talking about the incidence of that cost?

Campbell: Yes sir.

Driggs: And the other thing I would say is I just hope that you can be as objective as possible and not have an environment where we are arbitrarily offering discounts or setting timetables, so if we could have a well-defined environment related to comparisons with other cities or competitive issues and, therefore, not in effect, have this same conversation next year because we decided “you know what, let’s jump it up to 95, because now, whatever it was we thought last year is different.” So, we need to be accountable about that. We need to be accountable about how we are determining the costs that are being passed on and to the users. Thank you Mr. Chair.

Lyles: I think that this is a good recommendation, a good start. I have really struggled with this one because of the history of the way governmental financing has started out basically saying that we have property taxes and now because of I think our ability to actually distinguish and calculate costs and be able to segregate those costs, we are able to do fee-based programs that were generally always 100% property tax based, also had no restrictions on our revenue sources. We have had to look at these things and to the Solid Waste, for example, it is clear that the fee has nothing to do with anything except it is a fee, and it was a decision made instead of making it a tax, and there was not this opportunity to look at it the way we are looking at it now. But, things happen ten or 15 years ago, maybe 20 years ago, and we were doing the best that we can. At some point, I really would like to see if we actually could do a fee for everything that we have in the city, how that would look. I mean, I think we could segregate every cost and if you start prioritizing, you know, police, fire, garbage, and transportation, how could you do that, and I wonder if it is something that we could actually do, because I think with the techniques that we have in place today, we probably could. You know, it might be kind of an overhead cost that we might not be happy with but we could probably create a fee for every service that we have and further if we could not create a fee for it, maybe we should not do it at all because we need to have some direct benefit to what we are doing and make sure that we are not being very arbitrary around those things. So, I think at some point we need to have a better conversation around what we want and how we want it to be because what is working, the government is incremental. It does not take major leaps in terms of how we do things and for many years, we did community development with our property taxes. Now we only have four services instead of five, six, seven, or eight that a long time we had under property taxes, so I would really like, I think, next year, I think Ed, in addition to kind of looking at this and saying how we go forward with it, to actually think about what is our own philosophy around this and how far do we take it and what the extent can we be able to actually have a philosophy behind everything that we did.

Driggs: I will be brief because I know we do not want to go on too long and I would welcome that conversation. I think that is a great, constructive idea.

Lyles: Yeah, I think that is a great idea.

Driggs: What it comes down to at the end of the day is somehow, all of the things the City does have to be paid for, and really what we are talking about is the benefit of the service versus the incidence of the cost, okay. I think a larger scale conversation at a different time would be very helpful to everybody.

Campbell: And this tries to get at how much of that service should be divided between the actual user or the person requesting the service and the City.

Lyles: But maybe we could avoid that. If it’s not a user fee, it’s not really a service.

Mitchell: Committee, thanks for the input. I’m just going to say a couple of things. First, staff thank you for all of the meetings you attended. It’s been very helpful to get input from our stakeholders. I will say this collectively,

Economic Development & Global Competitiveness Committee
Meeting Summary for April 14, 2016
Page 7

we need to work on a kind of a, I do not want to say a PR strategy because PR strategy is not appropriate, but we need to convey through this, we are going to improve the efficiency. What I've heard loud and clear and I hear from the same people is they do not mind paying for it, but the efficiency really needs to improve. The time is money in the construction business, and so if we can have a part B, how do we communicate or how do we improve efficiency when it relates to particularly zoning. I have gotten a lot of feedback from zoning. I see LaWana shaking her head so she agrees so. As a takeaway Ron, maybe come back later, new fiscal year, we will start July 1. Let's talk about how the efficiency will take place.

Campbell: And I think that is kind of another initiative, the Gartner effort.

Mitchell: Okay.

Campbell: However, it is very intricately looped with what we are trying to create in terms of a policy.

Mitchell: Okay.

Campbell: That if you are asking for people to pay a certain fee, 100% recovery after service, we need to make sure that we are delivering a quality service, an efficient service, but most of all, that we are charging all of the things that are needed to deliver that service in an equitable and fair manner, so that there is really return on investment.

Lyles: We had a meeting earlier about the development fees and there was a commitment that there were fees that we could move and accelerate more people. Did we take that action? Do you remember if we have actually, if we could, if you tell us, people were saying "well, we are willing to pay a fee, but you need more people to get the work done, so you could work faster." Ron, can you send us a note and let us know if we did do that?

Campbell: Some of that will be included as part of your budget discussions.

Kimble: Budget.

Lyles: We talked about some early hires.

Kimble: Right.

Lyles: Okay.

Mitchell: Committee, let me get your direction though. If you look at the next steps, this is supposed to be presented to Council Budget Workshop.

Lyles: Yes.

Mitchell: My question to Committee, should this be a Dinner Presentation because this has been a very interesting topic so if you think it is enough at the Budget Workshop?

Lyles: This will be presented at the Budget Workshop.

Kimble: Yes on April 20th and then Manager's recommended budget comes out on May 2nd.

Economic Development & Global Competitiveness Committee
Meeting Summary for April 14, 2016
Page 8

Mitchell: So you don't think we will need it at a Dinner Presentation?

Lyles: I don't think so. It will be a part of the Budget Workshop.

Campbell: That's correct, on the 20th.

Mitchell: Let me get LaWana in here.

Kimble: Go ahead.

Mayfield: Mines is simple. Move to approve staff's recommendation because basically what we are saying is we are continuing the conversation. We ultimately want to get to 100, but they are also asking to have leeway for the City Manager to be able to make the adjustments as necessary.

VOTE: *The motion was made by Councilmember Mayfield and seconded by Councilmember Eiselt.*

Mitchell: There is a motion on the floor and there has been a second.

Driggs: Can I comment on that? I am a little concerned about combining this conversation with our budget process. It seems that with Solid Waste Services, I think there are principles that apply to how we do this, and I really want to avoid the appearance that we have gone back and squeezed this a little bit because we are trying to make this year's budget work. What is the implication of the recommendations you are making here in terms of our budget? How much money is involved?

Davis: I can probably give you some of that information pretty easily, I may need help. This is a little bit of an overview of where things fall in terms of departmental recovery, but what it includes is some information at the bottom if you can read that of what we are thinking will be included in the FY17 money that it would get us to a 94.4% recovery and then what that translates to is \$13.3 million which leaves a 5.6% subsidy of 700-something thousand.

Lyles: Can I respond to Ed? This is just an internal, like we have these discussions about how we do, this has been a part of the budget recommendations and discussion and what you are suggesting now is that we do it differently. I don't have any problem doing it differently, but this is traditionally been in the budget presentations for the last, all of the time that I have been on Council and for many years before then, and to ask the staff to pull it out now, that means the Manager's budget can't come forward as it is. Now, I can see the Solid Waste being new and different, but this one is, and we can do it differently, I'm not saying we can't do it differently, but I think it is going to really throw us off base on our schedule and we are suggesting a different methodology and presentation than we have ever done before. If the Council as a policy decides well anything that relates to this kind of effort that sets a fee shouldn't be included in the budget presentation, it is a major, I think, if I were on the staff thinking, "well where am I going do this and how am I going to get it done in the next two weeks" in the Manager's budget. I wonder if there is an idea that let's say, let's do what we have done this year, and then next year have those reviews earlier or we can, and if the Council chooses to change it, but we've already got a budget presentation coming up next Monday for the Manager to get ready.

Driggs: I am going to recommend approval.

Lyles: Right, I agree.

Economic Development & Global Competitiveness Committee
Meeting Summary for April 14, 2016
Page 9

Driggs: I'm okay with this but I'm just saying that I think that before we vote on this in order to be comprehensive, we should recognize that there are two agendas. One is how do we make the budget work, and the other is what are the principles related to user fees. I just wanted the answer to that question, and I think the principles that you are talking about are good. I like the fact that you have got the three exceptions in there, so I have prepared subject to the questions, like the lunar transparency to support it, but I just, going forward, whatever, next year, I just want us to have policy conversations in one place and budget conversations in another, same as on the zoning decisions. That is my point.

Lyles: But we have a policy.

Eiselt: I just want to offer a different perspective on that, that I agree that policy and budget discussions are separate. The timing of it, though, is such that it's sort of at the same time, but I think that messaging is really important and it is an opportunity to tell people why we are having such a hard time making our budget work that, you know, a lot of people might not know that we don't recover 100% of our costs for service fees, and as our city continues to grow, that just creates a bigger gap. I think from a 10,000-foot level, maybe a lot of people don't understand that.

Mitchell: So there is a motion on the floor by Councilmember Mayfield and second by Councilmember Eiselt. Are we ready for the vote?

Eiselt: Yes.

Mitchell: Okay. All those in favor say "aye".

All: Aye.

Mitchell: Any opposed?

VOTE *Councilmember Mayfield made a motion to support and recommend staff's recommendation on the Regulatory User Fees Policy to the full Council for consideration at their April 20th Budget Workshop. Councilmember Eiselt seconded and the vote was unanimous.*

Mitchell: I'm going to pass over this baton to Mayor Pro Tem Lyles.

Lyles: Thank you. The next item on our agenda is the City Protocol Society. Do we have any discussion?

Kimble: I will introduce the topic quickly.

Lyles: Okay.

CITY PROTOCOL SOCIETY

Kimble: Remember that today we need to close out your meeting by 1:10pm. That's because we have another person who has another engagement, so we are going to work through this in five or ten minutes. Ask any questions you want. The City Protocol Society was something endorsed by the Committee last year, went to Council, and the Council endorsed it. It is a coalition of cities and associations and universities, and you said last year when you approved the \$1,000 membership contribution that we were to come back to the Committee and give you a report. We are ready to give you a report and Mr. Phocas is here to do that.

Economic Development & Global Competitiveness Committee
Meeting Summary for April 14, 2016
Page 10

Phocas: Good afternoon Councilmembers. I will make it quick. As Ron said, this is a global community of cities, academic institutions and businesses that come together to share best practices around how can the cities run more efficiently. That would be everything from how we do finance, how we do transportation, how we do environmental impacts.

Mayfield: How we do user fees?

Phocas: How we do user fees, but you know there is a WebEx on that, but it is an opportunity for us to learn best practices from each other, potentially come up with new projects, with new programs that we can learn from each other. So over the past years, I just want to tell you how we engaged with City Protocol Society and the benefits we got out of that. It actually has grown over the past few years. They added more cities, academic institutions and companies. It's currently being led by a gentleman from the University of Barcelona and the CTO from Amsterdam who is involved with the Smart City Amsterdam. I spoke on two different WebEx's with a global audience mainly focused on the work we've done with Smart Cities around Envision Charlotte, and Envision America, which still continues to gain, garner a lot of interest from cities around the world. I participated in four other WebEx's where I listened to other projects and programs that cities had put forward. It was a great opportunity to see what we were doing right and could do better. One of the big opportunities that came forward to City Protocol Society was a commitment from Microsoft, which is one of the biggest corporate sponsors. They are looking to create what they call a digital global marketplace for public sector organizations to share information. They are basically talking about creating a sandbox in the Cloud where we are able to share these ideas, these projects, and these programs. They are particularly interested in having the City of Charlotte be a pilot city for this along with Dublin, Amsterdam, and Dubai, and the region of Catalonia in Spain.

Mayfield: So we would be the only U.S. city?

Phocas: We would be the only U.S. city and they are anxious to get our response. So just in summary, I think it is a wonderful opportunity for the City of Charlotte to not only share our best practices, to learn best practices, to really be on the forefront of innovative ideas and innovative programs, and it puts us on the global map and includes us in a global discussion that has only grown since we have become more connected. The annual fee is \$1,000. There is no formal re-upping process. We just basically say we are interested in being a member for another year and we pay our \$1,000 dues.

Kimble: And we felt like because of the action, that we owed you this report from staff to give you the down-low. We would not propose that we take this back again through the City Council. It is a \$1,000 membership. We can handle that in our current Economic Development budget, but we believe that you needed to hear what the value is and the connectivity to the rest of the world's ideas that we get from City Protocol Society.

Eiselt: I would love for the whole Council to hear this exciting work. I would love to find a way for the city to learn about these opportunities that we are doing because I think they are really exciting, you know, we talk so much about fees and things that services that we provide and this is an opportunity to see the kind of things that we are investing in for a pretty small sum, you know, that could bring some exciting opportunities to Charlotte, really help create a vision.

Kimble: I think we can still do that when Mr. Phocas may make an appearance before Council in the next three or four months, we can include this as part of his report on what's going on in the world of

Economic Development & Global Competitiveness Committee
Meeting Summary for April 14, 2016
Page 11

Smart City and the world of international connectivity and the ideas that are being generated through Smart Cities and sustainability.

Eiselt: Can I just make one mention to that too? Envision Charlotte is meeting today, right, with the Prime Minister of Holland on this, and so it is very exciting that we are a part of it.

Driggs: Worth every penny.

Lyles: Okay, I think that that is an endorsement of our continued membership. I think, just like you've heard from Julie and Ed, this is a small investment for a huge opportunity, so thank you.

Kimble: Thank you.

Lyles: I think it would be really good to get it on the City Manager's report for just a Dinner Briefing or something because it's an opportunity to showcase some of what we are doing.

Kimble: Okay, thank you.

MIDTOWN PEARLE STREET PARK

Lyles: The next item on our agenda is Midtown Pearle Street Park redevelopment and there is no action required but an update of where we are. We're happy to be joined by Mr. Schumacher and Mr. Pappas.

Kimble: Thank you Madam Chair and members of the Committee. This is something that we want to maybe almost start over. The last time that you heard anything in Committee about Pearle Park and the public private partnership was back in October, the prior Council's Economic Development & Global Competitiveness Committee. We then put it on pause and one of the big reasons we put it on pause was because this involves a road piece that's called for in the Cherry-Morehead Plan, a public road connecting Baxter Street and Kenilworth Stonewall, but it also affects the park called Pearle Park, and why we paused was there had to be some additional discussions between Mecklenburg County Park and Recreation and Mecklenburg County Economic Development folks and the Pappas folks to try and make sure that where the road ultimately would be placed, what its impact would be on the park, on existing activities that occur on the park, what some of those future activities could be, and then how the alignment of that park affects the size, the configuration, the acreage and the improvements that would have to go in the park. When you have seen on your agenda on Council meetings, the delay on the closure of Greenwood Cliff and then the establishment of the public private partnership with a Tax Increment Grant, we had to go on pause until they had further conversations with Mecklenburg County. It took about three to four months for those conversations. This group appeared in front of the Mecklenburg County Economic Development Committee on April 5th, had a real good conversation there. We're coming back to refresh this whole discussion with you. As Ms. Lyles says, there is no action today required. We're updating you and, ultimately, we're going to throw it back to the County because they're going to have to go first to make sure that the way the road works its way from Baxter Street to Kenilworth can also be agreeable to them as it impacts the park and the park improvements that will need to be made. That's why you see this each month saying, well, we're going to delay it one more month and make sure that we align your decision when you will talk about the closure of Greenwood Cliff and then the establishment of a potential partnership with Pappas Properties, bring those back at the same time. This is about a public road that is called for in the Cherry-Morehead Plan. It's about a mixed-use development that Mr. Pappas is prepared to bring forth as recommendation from his team for a great, dense, mixed-use development project that is

Economic Development & Global Competitiveness Committee
Meeting Summary for April 14, 2016
Page 12

called for also in the Cherry-Morehead Plan and it creates great connectivity that our folks have been involved in, in CDOT, and in Engineering, in Planning, in our Economic Development. We've had a lot of people weighing in on this, but this may be the best opportunity that's presented itself for us to get the road connectivity that is called for in the Cherry-Morehead Plan, a public road that connects Baxter Street to Kenilworth, and it also is a road that is going to be beneficial to the type of mixed-use development that is coming forward with the Pappas plan. I wanted to give all that as background so that you understand we still have a little bit more work to do, but the conversations that have been occurring among the County, the City, and the Pappas team have been fruitful, they have been progressive, and we are quickly heading towards, I think, a recommendation the next time we visit the Economic Development & Global Competitiveness Committee. You will then hear all of it again and be able to weigh in and then ultimately be able to make the recommendation that you feel comfortable with. So that is kind of the background. It is a long story. Now I want to turn it over to the Pappas team to present where we are.

Lyles: Okay, who is going to start us off?

Pappas: I will lead us off. Ron, thank you, and Councilmembers Lyles and Mayfield and Driggs, Eiselt. Thank you very much for letting us update you on what we think is a really exciting project. Before I jump into the details, I also want to thank Ron and Debra, I see Ed McKinney, I think Pat Mumford was in here, Danny Pleasant, Debra Campbell, Mike Davis. We have worked I think with about every department in the City and Peter Zeiler with the County. Peter, thank you, to try to come up with a comprehensive plan that really puts together the infrastructure, open space, public road extension, mixed-use development and, importantly for our property owner, the Charlotte Regional Realtors Association, a new building for them so a lot of moving pieces here and the community building process usually involves a lot of moving pieces. So this, in our eyes, is much, much bigger than any development project. It's really an opportunity to build infrastructure in conjunction with the development, improve open space, and get the mixed-use type of development that Cherry-Midtown Plan calls for. I would acknowledge that with all these moving pieces, communication sometimes isn't perfect. We certainly try to touch all the stakeholders. There are a few that we need to do a little more work with as we kind of tweak this road alignment, but generally I think we are in a very good place as it relates to the overall plan.

I think we are all very familiar with the site which is outlined in red. This is currently owned by the Charlotte Regional Realtors Association. They have been there quite some time. They used to be on Morehead Street, as I recall, and moved down here as the hospital expanded and acquired their property, I believe, back in the 80's. They are a long-time stakeholder and property owner in this area. Kenilworth Avenue on the bottom of the screen, Harding Place here, and then a small stub street which was done in conjunction with the new bridge over Little Sugar Creek, Pearl Park Way which stops right about here, and then you see Pearle Street Park which Ron mentioned which is, of course, a County park. There is also a second piece of park land which you will see on some future diagrams and aerials that is the Baxter Street Park which comes into play in this discussion, and I think, you know, kind of further addresses this comprehensive plan that we have been trying to put forward. So that gives you a little lay of the land.

The site plan that we have been working with the staff on, first of all, I would just say is evolving and I think has gotten better as the discussions have gone on but I wanted to point out the site is already zoned for mixed-use development. While you will see in the next steps that there will be a rezoning request, it will only be for about half an acre that starts here and goes to here, which is some remnant parcels of land that will be leftover once the road is extended and those parcels are currently zoned B2 which is general business, and so there will be a request later in May to rezone those to PED overlay which is what, I believe, all of this land is zoned here off of Greenwood Cliff. It's more of bringing that into conformance. It is less than a half acre and those parcels are created by the road alignment. The plan has corporate office

space at the corner of Kenilworth and Harding, mixed-use development, retail, hotel, and housing in building D here at the Pearl Park Way and Kenilworth intersection, mixed-use development, retail with residential above along the Pearl Park Way extension. Currently, Pearl Park Way stops somewhere around here and this project would extend Pearl Park Way. We will show you the comprehensive transportation plan in just a moment. A new building for the Charlotte Realtors Association and then a parking structure in the center of the site that is basically surrounded by the development and screened by the buildings.

This is the current development plan and, you know, we are very pleased with the progress we have made here working with the staff. Of course, our first piece of this will be to build a new building for the Realtors in this location which will be along Pearl Park Way and an extension of Berkeley Avenue from Pearl Park Way to Greenwood Cliff. Their current building is right here, so we will do this building in the first phase and that will allow us to move them in here seamlessly and then their old building will be demolished.

This is a rendering, I think, we shared with you before which generally shows the mix of uses and how they orient to Pearle Park which is here in the foreground, Kenilworth again here, and the extension of Pearl Park Way in this area. This is the new piece of Baxter from Pearl Park Way to Greenwood Cliff. So, again, you have the new CRRA office here on the right, the multi-family over retail, the mixed-use on the corner, all with first-floor retail and then office along Kenilworth.

Eiselt: Can you go back a slide?

Pappas: Sure.

Eiselt: Did you say that was Berkeley or Baxter?

Kimble: That is Berkeley.

Pappas: That is Berkeley and you know there is a piece of Berkeley here between Harding and Morehead and so the plan calls for an extension of Berkeley from Pearl Park Way back to Harding.

Eiselt: So that road will go all the way through?

Pappas: Yes ma'am.

Eiselt: Okay, thank you.

Pappas: We don't control obviously this land here so there's not a plan to do that at the moment.

Eiselt: Okay.

Pappas: Our project will build the piece here between Pearl Park Way.

Eiselt: So then it could be eventually connected?

Pappas: Right. We go back to this rendering and that gives you a feel for the scale and the mix of uses. This is not final architecture. We are actually presenting to the Realtors next week their elevations and their building, and we will be working through that process, but this is more of just to show you uses in the scale and how we are really creating or collectively, I use the word we collectively, the County, the City, our development

team, and the Realtors, are creating a new front door for the park and a new very important access road for this area.

So then we go into the plan consistency and I think Ron has already touched on these points of how this project lines up with some of the key components of the Morehead-Cherry-Midtown Area Plan that was adopted by Council in 2012. I'm going to skip over the street standards for just a minute and turn this to Jim Schumacher and let him walk through the transportation improvements and park improvements and then if want to go back into the details of the street cross section, then we will move back there.

Schumacher:

This is obviously an aerial photo of the immediate area and so existing Kenilworth comes through like this and Morehead is along here. The Realtors property you see right here and the existing Pearle Street Park in this area. So as Peter mentioned, the small area plan anticipates extending Pearl Park Way up along the edge of the park and turning it over to connect with the existing cul-de-sac of Baxter Street as you see here, and then Berkeley Avenue which comes out of Dilworth, crosses Morehead and comes down to Harding. The plan also envisions that that would extend and we are going to be able to do this piece of it and then this block would come whenever that property would be developed.

One of the key points about overall connectivity that I would point out is this idea of the Greenway connection through the park. The Little Sugar Creek Greenway is right along here just on the other side of Kenilworth and a lot of our discussion with Parks and Recreation has been how can we incorporate a greenway-style trail into and through Pearle Street Park so that we start to get that Greenway connection up towards Center City. In fact, a City project here recently improved the underpass of McDowell going under 277 so it's another building block in making that pedestrian, that Greenway connection up to Center City, and so in the master plan, we would incorporate that greenway-style trail into the street construction and get it all the way through the park as part of this. There would also be a bike lane. When the City widened Kenilworth about five years ago, part of the bike lane was put in and so we'll extend it the rest of the way across the Realtors property.

There are a lot of bullets here so I don't want to read through all of these but just the key points. In the overall master plan as Peter mentioned, we tried to go back to the area plan, see what it said, and incorporate all elements of the area plan that we could into the overall development plan. So what we did is connectivity, we get better pedestrian and vehicle connectivity throughout the area, throughout the neighborhood and to and throughout the park. We get the park itself improved and expanded, and we get an opportunity for the Housing Authority to improve their site for additional housing in this neighborhood and you will see that in just a moment.

There are some trades of land, the master plan involves trading some land to make all this happen. What you see here is the existing ownership. The yellow is the existing Pearle Street Park property. This yellow is the existing Baxter Street Park. County Parks and Recreation now owns and operates both of these parks. What you see here in red is the existing Housing Authority property and this is the mid-rise Charlottetown Terrace project that has been there.

Kimble: If I could stop Jim for a second. This is why this has taken a while. You're going to see how these property swaps occur because you have got to get the road in and then figure out how it impacts the park. That is what has been going on for the last three months.

Schumacher:

There are a lot of moving pieces and the Housing Authority has also been with us all along the way. Of course, the Realtors property is here. So you see here in the white, the proposal line for Pearl Park Way and on up here connecting to Baxter Street right here and Berkeley coming right here as part of our project, and then this piece in the future.

Pappas: Jim, if I could just make one comment before you jump to the other slide. If you look at the current Housing Authority property as it goes there to the south of the new Baxter Street alignment, Jim if you just circle that. This piece right here, we have a power line impacts this parcel, so one of the advantages to, which you are going to see next, is to get a more developable site for the Housing Authority property. Until this idea, which kind of came out of a lot of the discussions in planning surface, really the area plan had a line for the road coming like this and then coming over to here, and all of this engineering and details really had not been flushed out nor, you know, not necessarily the typical process. I mean, you start with the big idea and then we get into the details so, you know, as Ron said, what it is taking a bit more time is if we are going to go construct new infrastructure here, you know, can there be some property exchanges that leave everybody in a better place. Now let me say that when you do that, obviously it impacts others and so we're still having some discussion with CDOT and a few of the stakeholders here about whether or not this connection is needed, is at the right place, a few more details to work out there, and I know that Park and Recreation is having a discussion with the users of the field to work through some of the moving pieces that this will create. Jim is going to take you through this land exchange but a lot of people at the table but we are, you know, feeling like we are close to being there. Jim, I will let you fill in the Council.

Kimble: We left you with these takeaways to take away from the meeting. This is probably the best way to look at it.

Schumacher:

Just one more history piece and that is that the road, you know, we mentioned that the small area plan calls for extending the road, and the County has always anticipated in their planning over the last several years, the road coming through the park, and they've had some alignments that kind of went up through like this and connected to Baxter Street, which they really did not like because it kind of bisects the park, and so they are more happy with this kind of alignment that stays over towards the edge and gets up close to the Housing Authority building and that allows the park to become larger. What you see here is after the trades take place, the new perimeter of the Pearle Street Park, so this area that was Housing Authority, actually this little strip, you can see those faint white lines, actually that is a parcel owned by the City which is, I speculate, a remnant of urban renewal activity.

Lyles: Yes, I would.

Schumacher:

The idea is that that area as well as the Housing Authority property as well as the existing cul-de-sac of Baxter Street, which you no longer need once you have the new street connection.

Lyles: Which is where the bike trail goes.

Schumacher:

Yes.

Lyles: Which leads, like, to nowhere.

Schumacher:

Right.

Economic Development & Global Competitiveness Committee
Meeting Summary for April 14, 2016
Page 16

Kimble: There's a lot of advantages of this development partnership that the City, County, and Pappas are coming into, and again, this may be the only time we have the opportunity to get it right.

Schumacher:

The model between the County and the Housing Authority is that the County would acquire this portion of the Housing Authority property and the Housing Authority would acquire a portion of the Baxter Street Park to the west of the high-rise building. Now you see that outline in red and then a small section of it in yellow as still being County-owned park. That's because they are not equal size. They are doing appraisals now and if the values were exactly the same and you traded exact acreage per acreage, this, what you see in red here is what you would see, and what you see in yellow would be a remainder for the County. Now the Housing Authority has said to the County if it comes out that way, we would like to purchase that remainder so that we have that entire piece and have a more developable site for housing, and the County is open to that.

Pappas: I'm going to apologize Jim for jumping back in, but this is kind of where it stops for us in the sense of how do you exactly plan Pearle Park and how do you plan the other Housing Authority land that would be created in the exchange. Those are up to those specific agencies, not to us. I think the big idea was can we get more contiguous park land and get the road, you know, in a good place that works. You see images of the park and all that, but that is really the County's decision of how to do that as it is the Housing Authority's decision how to plan the land they have. I think we are just trying to get the framework right.

Schumacher:

Peter mentioned earlier a remnant between the street and the Realtors. If you look, there is a strip of land right through here that is between the new street and the Realtors' property and in the overall plan, Pappas Properties as the developer would purchase that property from the County, and the County would, in turn, use those proceeds to make improvements to the park. They currently don't have funding for improvements to this park in their CIP so this gives them a way to jump start improvements to the park.

Driggs: Is the intention to put that stub up with Greenwood Cliff?

Schumacher:

Peter mentioned earlier that we are still talking about how this should be done, and our conversations with CDOT who are always looking very long-term view, you know, they look at this and say well, it makes sense that perhaps in the future when this back portion of Greenwood Cliff gets redeveloped, that there will be a desire and/or a need to bring a connection up there for that purpose, and so that's why it's on the map this way. We don't expect to build that today, and it will probably just be a small curve here short term, and when this development does occur, the developer at that time and the City can determine exactly how to make that connection.

Kimble: Because that connection could move just based on the redevelopment.

Schumacher:

I think that covers it; the mixed-use development would be down here. This is the new piece of Berkeley that we would put in. Here is where the new Realtors building would be, and that also creates a development site. These three lots are all owned by one party so that creates a new development opportunity there as well.

Economic Development & Global Competitiveness Committee
Meeting Summary for April 14, 2016
Page 17

Lyles: I hear a lot of words that this really has made a huge difference, a bigger step towards connectivity and thinking about the affordable housing and the road structure. Does anybody have any comments?

Eiselt: I think it has all the elements of the, you know, what we really hope to achieve when we work towards density and making it more urban and commuter-friendly, bike-friendly, pedestrian-friendly.

Schumacher: What you see here from these numbers is the park at the end of the day, when you take out the area for the streets even, you still end up with a park that is about an acre larger, and the County gets proceeds of about \$1.4 million from that strip of land to apply towards their improvements in the park.

Finger: We have just two more slides.

Lyles: Okay.

Finger: My name is Wade Finger and these last two slides will detail the mechanics of how the project gets paid for. As Peter and Jim mentioned, the Realtors Association will have a new building. That building will be built using proceeds from the land sale. The mixed-use development will be a Pappas Properties development and financed by our organization. The new public infrastructure, the road expansion extension of Pearl Park Way, Berkeley, Pearl Park Way over to Baxter, that will get paid for up front by Pappas development and we are proposing a Tax Increment Grant such that after the infrastructure is in, development is completed, the new tax base is created, a portion of the increase in property taxes is rebated to the development to repay that cost. Again, the park improvements are funded via the fair market value acquisition of those remnant parcels we've been talking about.

In terms of dollars in scope, you know, the first section of the road is really one concept, one Tax Increment Grant. The first section of the road that goes Pearl Park Way and Berkeley, Pearl Park Way, say to the end of the Realtors side, that is about \$2.2 million, and Pearl Park Way over to Baxter Street is about \$1.6 million. Again, that is not just the road. It is the road, the frontages, the walkways along it, the enhancements along the park edge and so forth. Now the terms of the proposed Tax Increment Grant are such that 45% of the increase in tax revenue, tax revenue that gets created by the development, is rebated to the project. The commencement of those payments within one to four years after the project starts and a sunset provision so that if it has not been paid back after ten years, the Tax Increment Grant will sunset. It will come to an end whether the development has been repaid or not for those off-site improvements, and again, the scope of the Tax Increment Grant is limited to off-site improvements, construction costs that are just for the road, and those improvements that are outside of the development property.

Kimble: All of these conditions and provisions that Mr. Finger just outlined are in full compliance with your policy of Tax Increment Grants that you have applied in the past, so they are in accordance with your current policy.

Lyles: So we'll need to look and refresh ourselves of that policy and how that policy and the actual details in advance of the May 12th Committee meeting?

Kimble: That is correct.

Driggs: On that point, I have communicated to Mr. Pappas already that a lot of what has happened in District 7 was paid for by developers including improvements to the intersection of Providence Road and I-485 in conjunction with Golf Links and Waverly, so just in the interest of fairness and in order to avoid establishing a precedent, I would like to see how our policy makes that distinction between what was required there

Economic Development & Global Competitiveness Committee
Meeting Summary for April 14, 2016
Page 18

where they were actually paying out \$7 million in the case of Waverly for off-site improvements related to the impact. Again, the project was great, so I want to be clear, I am enthusiastic about the project, but on this TIG thing in particular, I'm just a little curious given an idea what people, including Mr. Pappas, in my District, on the question of improvements that are required to be made.

Lyles: That is a great question.

Kimble: We would be glad to share staff's perspective on why this is different in that respect.

Lyles: That is a really good question.

Eiselt: Can we also include economic impact of different projects in that discussion?

Kimble: Okay.

Eiselt: For instance, Waverly, you know, what was the size and scope of that of the investment of the return.

Kimble: We'll figure out a way to describe the amount of investment. I don't know if we have full economic impact but we can find a way to make comparisons.

Lyles: You can do a lot with just the numbers and the values that were paid on public documents and what the State put in, what we put in, it's a lot of information.

Driggs: We did not have the overpass, you know, so there is precedent in the District. I just need to be clear on this.

Kimble: We did \$11,250,000 in the Ballantyne area for Tax Increment Grant for City and County, so that's a good example too on a larger scale. This is a smaller scale. That is the kind of comparison that we can make.

Driggs: Right.

Pappas: Mr. Driggs, thank you for, Councilman Driggs, excuse me, for your comments about the plan. I would just make one other distinction in this. I also am developing a portion of the Waverly site so I have contributed at Waverly. Maybe one of the key distinctions here is this land is already set, and I think one of the things that the Tax Increment Grant does is extend infrastructure further off the site to enhance connectivity. I would just offer that perspective as maybe a little different, you know, wanted to share with you all at this time.

Lyles: That is kind of version versus retrofit. Any other comments or questions? I did want to say to the stakeholders Mr. Driggs made a great point email or call, all of us are on the website, particularly these Committee members, including Mr. Mitchell who is not here right now. That would be good before May 12th. I also think that what we are suggesting here, and I always say these dates are tentative because we never know what happens as it is developed, but May 23rd will actually be a time that if we have it on the Council Agenda, you can call the City Clerk's Office and sign up to speak on that particular agenda item, but it is much more helpful in advance than on the night of.

Kimble: Ms. Lyles, Todd DeLong has a running point on us. I think we just make Todd available to her after the meeting.

Economic Development & Global Competitiveness Committee
Meeting Summary for April 14, 2016
Page 19

Lyles: That would be great.

Kimble: We can help answer your questions.

Lyles: Thank you. Really appreciate it, and whatever you talk with Todd about, he will share with us. That is good. That's for everybody in the room. There are a lot of people here. I am sure, as well as the media, that might want to have time with you and Todd and Mr. Pappas afterward, so I am sure they will do that. Okay, so we have got the request for the schedule. Any other questions that you want to come back before the 23rd, besides right now. We have got economic impact compared to the developer, install infrastructure for development versus a TIG. I would actually like if we could, Ron, to get, I know you said that Todd is here and the County Park will have some kind of statement. I would like to see kind of a written, what do we think from both Housing Authority and the County. I really want to say, sometimes when we look at these maps, one of the things that I have a question about is if we abandoned that circle, I don't know who owns that circle. Would that just become, is that City owned? Is that a City-owned road, the circle around?

Kimble: Yes.

Lyles: Is that included in the swap of land?

Kimble: Oh there is a lot, you will see. We gave you the high-level view. There are lots of full swaps going back and forth in the County.

Lyles: When you come up off of the bike trail here, there is a, I do not know what you that street.

Pappas: The Baxter Street cul-de-sac.

Lyles: The Baxter Street cul-de-sac. Yeah, so I did not know if that was something owned by us or who owned it actually. I did not know if it was parking. There is no parking. I mean, but anyway.

Kimble: There was a different map that went through all the different swaps that was very complicated.

Lyles: Don't worry; you did a great job.

Kimble: We gave you what it looks like now and what it is going to look like afterwards.

Lyles: Yes.

Kimble: And we will show you the detailed map of all the swaps.

Lyles: And the final thing that I wanted to say that sometimes we forget, we are doing all this big stuff, but I want to say thank you for recognizing the access of that senior housing and the safety of those people in wheelchairs and all kinds of accessibility issues being solved here for people to move around. I remember when Judge McMillan ruled on this property. That site is really one of the most important things because that park was preserved because it was a part of Brooklyn and it was the only preservation that was left, so sometimes we tear down a lot but this looks like it is building up again, so thank you,

Pappas: Thank you.

Economic Development & Global Competitiveness Committee
Meeting Summary for April 14, 2016
Page 20

Lyles: Any other questions? With that we are adjourned.

Kimble: Thank you very much.

Meeting adjourned at 1:25pm.

City Council
Economic Development & Global Competitiveness Committee

Thursday, April 14, 2016 at Noon
Room CH-14

Committee Members: James Mitchell, Chair
Vi Lyles, Vice Chair
Ed Driggs
Julie Eiselt
LaWana Mayfield

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. City Protocol Society – 15 minutes

Staff: Rob Phocas, Neighborhood & Business Services

Action: Last January, City Council approved a one-year membership for Charlotte with the City Protocol Society. The City Protocol Society is a global non-profit community of cities, corporations, academic and nonprofit organizations taking collaborative action to help cities face their challenges together and enable the development of more sustainable, efficient and innovative solutions for city initiatives. Staff will provide the Committee with an update on being a member of the City Protocol Society and recommend the City renew its membership for another year.

II. Regulatory User Fees Policy – 20 minutes

Staff: Debra Campbell, City Manager's Office & Mike Davis, Transportation

Action: Staff will provide results of conversations held with industry stakeholders in response to the recommended Regulatory User Fees Policy. Staff is requesting the Committee support the recommended Regulatory User Fees Policy and forward to the full Council for consideration at the April 20th Budget Workshop.

III. Midtown/Pearle Park Redevelopment Project – 45 minutes

Staff: Ron Kimble, City Manager's Office; Todd DeLong, Neighborhood & Business Services

Guests: Pappas Properties/Terwilliger Pappas

Action: On October 15, 2015, Pappas Properties introduced their proposed redevelopment project located near the intersection of Pearl Park Way and Kenilworth Avenue. During the last meeting, Pappas Properties/Terwilliger Pappas provided an overview of their project and began discussing their request for the City's financial participation in certain public infrastructure improvements through a Tax Increment Grant (TIG) agreement. During today's meeting, representatives from Pappas Properties/Terwilliger Pappas will present an update of their proposed mixed-use development project, an overview of the general components of a public-private partnership and the anticipated next steps to implement the redevelopment in such a manner that benefits the community. No action is required.

IV. Future Meeting Topics – 5 minutes

Staff: Ron Kimble, City Manager's Office

Topics	Meeting Date	Lead Department
Eastland Mall Redevelopment	On-going as needed	Neighborhood & Business Services
Immigrant Integration Task Force Recommendations Updates	On-going as needed	Neighborhood & Business Services
Business Investment Grant Revisions	On-going as needed	Neighborhood & Business Services
High Growth Entrepreneur Strategy	On-going as needed	Neighborhood & Business Services
Charlotte Business INclusion Update	On-going as needed	Management & Financial Services
City Protocol Society	On-going as needed	Neighborhood & Business Services
Amateur Sports Development at Bojangles Coliseum/Ovens Auditorium	Future discussions (TBD)	Neighborhood & Business Services
Applied Innovation Corridor Strategy & Planning	Discussions (TBD)	Neighborhood & Business Services
Pearle Park	Discussions (TBD)	City Manager's Office
Talent Pipeline (apprenticeship and pre-apprenticeship)	Discussions (TBD)	Neighborhood & Business Services
Review of Regulatory Land Development User Fees	On-going as needed	Management & Financial Services
Local Hiring Initiative Using Anchor Institutions and Economic Inclusion (referred by CM Howard on 11-23-15)	Discussions (TBD)	Neighborhood & Business Services

V. Meeting Dates:

- Thursday, April 28, 2016 at 12:00pm, Room CH-14 *(need to consider cancelling or moving this meeting)*
- Thursday, May 12, 2016 at 12:00pm, Room CH-14



Regulatory User Fees Policy

Economic Development & Global Competitiveness Committee

April 14, 2016



Outline

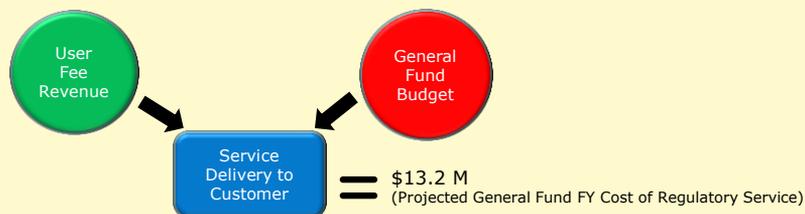
Meeting Outline:

- 1) Review of January 21 and February 17 Committee Meetings
- 2) Review of Staff Recommendation
- 3) Summary of Stakeholder Feedback
- 4) Request Committee Action



Review of Prior Committee Meetings

Definition: Fees for direct and indirect costs associated with regulatory services

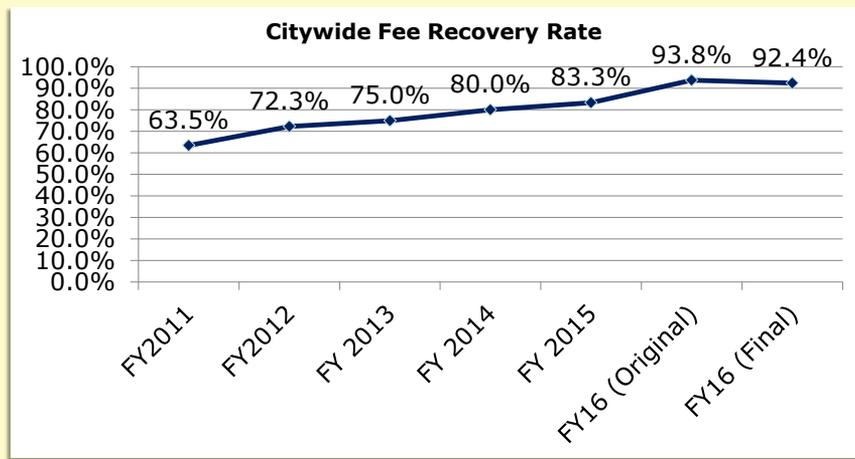


2



Review of Prior Committee Meetings

In FY2013 City began multi-year approach to gradually return to 100% full recovery



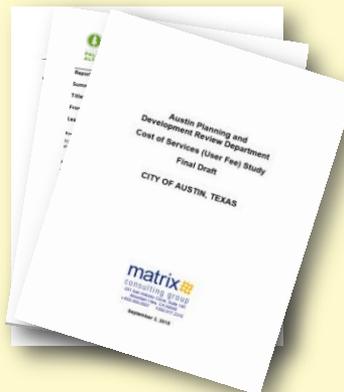
3





Research & Findings

- Charlotte's cost recovery calculations are consistent with national best practices.
- Charlotte's 100% recovery rate is consistent with many other cities and with consultant-recommended best practices.
- Research supports the practice of including subsidies for individual fees that meet certain specific criteria.



4



Initial Staff Recommendation

City staff recommends continuing Council's adopted 100% regulatory user fee recovery rate.

The policy should include the ability for the City Manager to recommend exceptions to the 100% regulatory user fee recovery for specific services as part of the annual budget process in order to:

- 1) Avoid significant jump in price from year to year
- 2) Ensure regulatory compliance
- 3) Recognize a greater benefit to the general public

5



Summary of Stakeholder Feedback

Stakeholder Groups

NAIOP (3/9)

Development Services Technical Advisory Committee (3/9)

Homebuilder's Association (3/11)

Greater Charlotte Apartment Association (3/16)

Charlotte Water Developer Board (3/17)

Charlotte Water Advisory Board (3/17)

Charlotte Chamber Land Use Committee (3/23)

Group Composition

Approximately 80 attendees

Developers, Design Professionals, Contractors, Citizens Serving
in Appointed Advisory Roles

6



Industry Feedback Received

What issues or concerns do you have about the policy to recover 100% cost through user fees?

- Policy is flawed because there is always public benefit derived from projects.
- Costs of higher user fees are passed along to end users and impacts affordable housing.
- Developers do not have a choice to comply with City's regulations or in who provides regulatory services (no competition)
- 100% recovery could jeopardize City's ability to sustain proper staffing levels when market conditions fluctuate.
- Charlotte Water should be treated differently as an Enterprise Fund not impacting the General Fund.
- For most projects, user fees are a small percentage of total cost.
- Land development fees much higher in comparison to other N.C. cities.

7



Industry Feedback (cont.)

What feedback do you have about the criteria used for exceptions to the 100% recovery rate?

- Many activities have public benefit, including increased tax base and economic vitality for the city.
- Donated water facilities generate revenue, and should be considered a public benefit.
- Generally agreed with criteria-no additions or deletions.

Full Summary Available at Development.Charmeck.org

8



Final Staff Recommendation

City staff recommends continuing Council's adopted 100% regulatory user fee recovery rate.

The policy should include the ability for the City Manager to recommend exceptions to the 100% regulatory user fee recovery for specific services as part of the annual budget process in order to:

- 1) Avoid significant jump in price from year to year
- 2) Ensure regulatory compliance
- ~~3) Recognize a greater benefit to the general public~~
- 3) Account for service costs that may include or be dedicated to public involvement.

9



Next Steps-Process Moving Forward

Time Frame	Action	Community Outreach
January-February 2016	Staff prepares Regulatory User Fee policy recommendations	
February 17, 2016	ED&GC Committee review staff's draft recommendations	
March 2016	Stakeholders Meetings Seeking feedback on recommendations and impacts	<ol style="list-style-type: none"> 1. NAIOP 2. DSTAC 3. Greater Charlotte Apartment 4. Homebuilder's Assoc. 5. Charlotte Water Advisory B. 6. Charlotte Water Developer B. 7. Charlotte Chamber Land Use
April 14, 2016 (ED&GC Committee)	ED&GC Takes Action on Regulatory User Fees Policy	
April 20, 2016 (Council Budget Workshop)	ED&GC Committee recommends the Regulatory User Fee Policy to Council for approval	
May 2, 2016	City Manager presents FY2017 Recommended Budget, including User Fees	
June 13, 2016	City Council Budget Adoption	

10



Requested Committee Action

Requested Action

Support and recommend the staff recommendation on regulatory user fee policy to full City Council.

11





CHARLOTTE

Regulatory User Fee Policy Meeting Tour

1. NAIOP – Wednesday, March 9, 2016

➤ **Questions:**

- i. Do you monitor City costs?
- ii. Do you look at prior year budgets to develop the costs?
- iii. Do you look at costs from previous years when you set up the fees?
- iv. Do you have an overhead cost?
- v. Do you have a billable rate target?
- vi. When you look at labor costs and the basis of service delivery, do you include things employees do outside of the fee activity?
- vii. Is there an option to contract work to speed up service delivery?
- viii. What is the correlation with regulatory criteria that we don't have to add it? (not sure about this one)

➤ **Comments:**

- i. The planning that benefits the community at large would not be included in the costs.
- ii. The City sets the tax rate and the level of service.
- iii. Some of the use of the service is for the public as a whole
- iv. The marketplace establishes how we manage our business, but there is no choice in the level of service that we can purchase from the City.
- v. The City is the only choice I have to go to for service.
- vi. We have to follow the rules and regulations of the City because they are regulatory.
- vii. In reference to the third exception, this is huge. If it's something the public is asking for, then they should pay for a portion of it.
- viii. Danger – if there isn't some standard of subsidizing with the General Fund budget, then the City will be rushing to adjust staffing levels.
- ix. There are significant inefficiencies in the rezoning process. It is not an efficient process. Look in to Nashville for a more streamlined process. Charlotte's process is not desired by our industry.
- x. As you look at increasing fees, note that the developer will pass the costs on to the end user.
- xi. Do not look at the fees in a vacuum, but the cost overall of development and the other increases that are happening outside of the City components.
- xii. As long as there is good service, the fees can increase (they are small increases compared to the overall size of the development)
- xiii. Regulatory criteria have continued to increase.

2. DSTAC – Wednesday, March 9, 2016

➤ Questions:

- i. What does fully allocated mean?
- ii. How can Charlotte have 5 times higher fees? [Karla passed out the erosion/sedimentation control fee chart that she made]
- iii. Why are some fees not fully funded and regulatory fees are?
- iv. Does the fee generate increase in tax base? If so, it should be captured in a lower fee.

➤ Comments:

- i. I have an issue with the 100% cost recovery because the premise can't be substantiated-public should pay for a portion of the service because it serves the public , not just the fee payer
- ii. If the public benefits, the public pays
- iii. I also have an issue with the way the fee is calculated, because I do not believe staff is ever 100% dedicated to the particular service; Susie Homemaker calls the City to ask about a development occurring next door and staff must take time to answer her questions—and this is being paid through fees from development community
- iv. Susie Homemaker feels like it is her right to ask questions because she pays taxes
- v. Some departments do provide a very detailed staff breakdown, as I have seen with my work on other committees—but I do not believe the formula is legitimate
- vi. No one here today would chose to pay for these fees if we were not forced to by the government—we would not chose the regulations but we must abide by the regulations because you make the rules
- vii. Charlotte's fees are out of line with the state
- viii. We should be very clear about the resources it takes to deliver the service.
- ix. Citizenry thinks they deserve service, so every fee should have a portion of the fee covered by the General Fund
- x. Garbage fees as an example-the City supplements the garbage fees through the general fund subsidies
- xi. All development creates revenue for the City (and the developer)
- xii. We should add a fourth criteria to the exceptions list to include something about public benefit and an overall increase to the tax base
- xiii. 100% allocated is flawed because there is always a public benefit
- xiv. We are a very cyclical industry with both good and bad times and government cannot keep up with the development cycles quickly enough because they are not nimble to layoff or higher people during bad or good times; or you can't increase or decrease your fees quickly enough to tie to development conditions
- xv. Recognize fees in Charlotte are more than in other places because this environment is urban and complex
- xvi. Government and citizens are wanting more services, more ordinances
- xvii. Basing user fees on benefit are not closely related in my opinion; need to ask yourself – "is the change fair?"

- xviii. Affordable housing is a big issue for this community, and the increase in fees makes it nearly impossible to deliver
- xix. The City needs to look at more exceptions to the rules
- xx. Find ways to lessen the impact to staffing, even if the work is not there
 - 1. Efficiency in your service
 - 2. Accurately capture costs
 - 3. Be responsive
- xxi. The fees for something in Charlotte are typically more and complex. This makes it difficult for us to do work here. The complexity is generated due to complex standards such as USDG, Trees, and storm water.

3. Home Builders Association – Friday, March 11, 2016

- **Questions:**
 - i. Single Family \$25 recovery rate for solid waste services – why don't we apply that across the board?
- **Comments:**
 - i. **We need to operating like a business**
 - ii. Rezoning site plan amendments – need to empower staff, give them more latitude to avoid getting on the docket and make more approvals in the field. Not require RTAP. Sometimes changes arise during construction.
 - iii. Solid Waste is moving towards a user fee. This needs to be vetted.
 - iv. If regulations are done for public good then public should pay some of the costs.
 - v. Cyclical activities – occurrences are not predictable
 - vi. Remind Council that they voted for all of these regulations
 - vii. Affordable housing may diminish because of fee structures we are applying (i.e. storm water)
 - viii. Allocation of overhead has significantly increased costs
 - ix. Affordable housing is necessary but cannot thrive under these rules and regulations
 - x. Cost allocation are for non-development activities – these are not direct costs
 - xi. We have a lot of risks – City does not question the burden without economic benefit analysis. No risk for the City. Could have another recession.
 - xii. Better water quality and planning initiatives are a burden for the industry.
 - xiii. What is in the fee is the argument, not the fee itself.
 - xiv. There needs to be a discussion of fairness – a mechanism for addressing it in the process
 - xv. Sometimes staff oversteps and ask for more than what is required in the ordinance
 - xvi. Standard is fair but needs to be opportunity to negotiate where appropriate – through the administrative process
 - xvii. Need a fairness allocation – evaluate the scope of the project and the customer (a church is not in the position to pay huge fees).

4. Greater Charlotte Apartment Association – Wednesday, March 16, 2016

➤ **Questions:**

- i. What are the problems that are going to occur within the next 5 years?
- ii. Avoid significant jumps - do you have any idea of the percentage that you will use to determine if it is a significant jump or not?

➤ **Comments:**

- i. 3 key issues; impacts, accountability, and implementation
 1. Impacts
 - a. How will this impact affordable housing and small businesses?
 - b. A subsidy is not a bad thing, it is okay
 - c. Who would be impacted the greatest?
 - d. There will be impacts on affordable housing and small businesses
 2. Accountability
 - a. What are the revenues that are coming in?
 - b. What is the projected income from the fees?
 - c. Will there be accountability of how the User Fee is set?
 - d. What is accountability of 100% recovery? Can you just add 36 additional staff people and charge the full cost?
 3. Implementation
 - a. Understanding when we are going to implement and how
 - b. Communicate and inform people properly
 - c. Vast majority will not hear about these changes
 - d. Fire experience – fire inspection fee went from free to \$2-3k
 - e. Is it equitable?
- ii. House Bill 255(?)

5. Charlotte Water Developer Board – Thursday, March 17, 2016

➤ **Questions:**

- i. What about donated projects?
- ii. Why if we are donating the project, do we have to pay a fee?
- iii. What is the impact to the City to get donations?
- iv. How much are assets worth?
- v. Assets minus maintenance?
- vi. What is the origin of fees? Who can speak to those fees and the new fees?
- vii. Why does Water not feel like they are recovering 100% of costs?
- viii. Is the Enterprise losing money?
- ix. Who pays when dry utilities cut our lines?

➤ **Comments:**

- i. Consensus is that this asset is a great benefit to the City. Donated to City. It then goes into the rate which generates income for the City.
- ii. There is a benefit to the general public when developers donate assets to the City. This is a big issue, we are adding customers.

- iii. Reminder that this is an enterprise fund. They are a utility and donating the asset for the citizens
- iv. Charlotte Water is already recovering their funds. Self-sufficient.
- v. Understand the capacity fee but disagree with review fees
- vi. Water should be look at like a utility
- vii. Can't separate the rate payers – the user pays for the service of water
- viii. No new economic development is the worst thing that could happen to the City
- ix. We want our City to grow and there is a cost to growth
- x. New developments that don't have big maintenance projections are covering the cost of older system components
- xi. Water is a utility, not a regulatory fee
- xii. We totally disagree with this – we think its wrong
- xiii. We did not know of the fees and have concerns about the specific fees and amount. We don't think the fees are fair.
- xiv. We don't see Water falling under this fee policy
- xv. We want to see fees before they are put in the Manager's Budget
- xvi. Here is the reason it bothers us – these costs get passed on to the lot which jacks up the price to buyers creating limited affordable housing options
- xvii. We want to pay for less service (storm water)
- xviii. The City is clueless on the impact of storm water fees. We are over regulated and want less regulations
- xix. We are providing you a customer that pays monthly fees
- xx. We do not get the proposed fees until after they are passed - no time for discussion

6. Charlotte Water Advisory Board – Thursday, March 17, 2016

➤ Questions:

- i. What are we paying for?
- ii. Who should pay for the cost of service – the developer or spread throughout the rate payers?
- iii. Do you want to pay as a home buyer or as a rate payer?

➤ Comments:

- i. Developers are paying for an asset we give you
- ii. Water pays for Fire protection service
- iii. Rate payers are paying for staff dedicated 100% towards growth
- iv. Having more customers is not a revenue source for us, it is a break even as we have to provide service to them
- v. People should pay for the service at the cost of delivery of that service
- vi. There is a responsibility to the rate payers – no more, no less
- vii. Developers have no ability to have an impact on the \$14 million budget creation in terms of what the City does and how they do it.
- viii. We support the 100% recovery of costs by the user
- ix. We are responsible to the rate payer, they get the bill
- x. This is a high class discussion

7. Charlotte Chamber Land Use Committee – Wednesday, March 23, 2016

➤ Questions:

- i. Is it a smart policy for land development departments to be at 100% recovery with market volatility?
- ii. 100% recovery is okay, but have we done the analysis on our end to see non-transparent entities that are tacked on to the fees?
- iii. If we have to make a bunch of exceptions, then is it appropriate to have a 100% recovery policy?
- iv. Why can't we take the costs out of other fees?
- v. When can we engage in the rezoning rewrite process?
- vi. What is the status of the search for a Planning Director?

➤ Comments:

- i. A \$400-500 increase is not problematic, if the timeframe is reasonable
- ii. 100% recovery – impact on City based on volatility of the market
- iii. If you let staff go, the result is lag time in inspections, etc.
- iv. It is hard to find good people and get them on staff in time to react to the market
- v. If zoning process is where pursuit time is better and more predictable, then people will pay incremental increases in fees. However, there needs to be a certain level of service improvement along with it too.
- vi. Make sure the CAP costs are adequate and appropriate.
- vii. The private sector has competition that drives costs down, the City does not.
- viii. You are subsidizing my profit.
- ix. There is a leadership void in the City with the lack of a Planning Director. Development is becoming more innovative.

Charlotte Regional Realtor® Association Property Redevelopment

Pearle Street Park Public Infrastructure Improvements

April 14, 2016



Midtown-Morehead-Cherry Area Plan Recommendations

“evolve as an urbanized, pedestrian oriented gathering place for the neighborhood and larger city”



“provide pedestrian oriented, mixed-use development along Kenilworth, Greenwood Cliff and Harding Place”

Site Plan

DEVELOPMENT SUMMARY

- A** CRRA OFFICES
33,000GSF
- B** RESIDENTIAL ABOVE RETAIL
21,600 GSF RETAIL
172 RESIDENTIAL UNITS
- C** PRECAST PARKING DECK
1239 SPACES (GRADE +8 LEVELS)
- D** MIXED-USE (RETAIL/HOTEL/RESIDENTIAL)
175,000 GSF
70 PARKING SPACES
- E** OFFICE
168,000 GSF
85 GATED PARKING SPACES

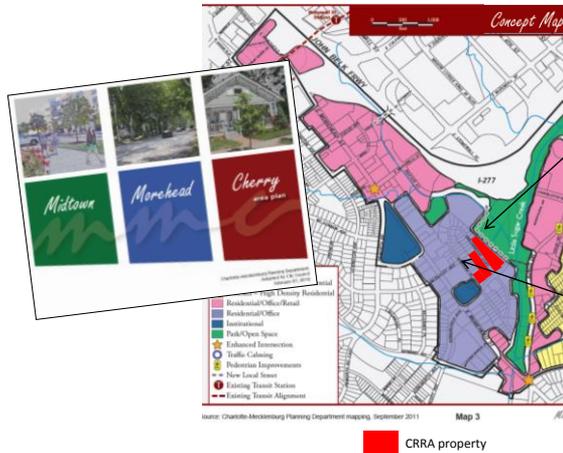


Project Rendering



Midtown – Morehead – Cherry Area Plan – adopted in 2012

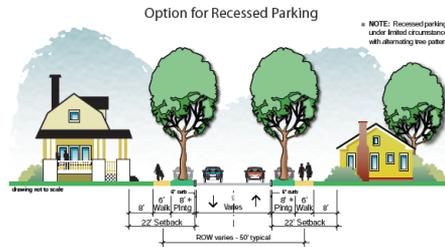
- Calls for extension of Pearl Park Way and Berkeley Avenue
- Calls for improvements to neighborhood parks
- Calls for pedestrian oriented, mixed use development



T13. Pearl Park Way Extension: An important crossing of Little Sugar Creek, the new Pearl Park Way Bridge connects the Morehead and Midtown/Cherry sides of the greenway. A westward extension of this street is recommended from its new signature bridge, linking to Baxter Street. This also would link Baxter Street and Pearle Street Parks with the greenway, and create a more continuous system of green space. The inclusion of on-street parking along the new street could increase visitor access, while removing parking lots within flood-prone park land. Design and implementation of the street should be coordinated with development plans for both the REALTOR Association and Charlotteville Terrace properties, in order to develop quality, active street edges.

T14. Berkeley Avenue Extension: This street connection should be considered upon redevelopment of properties between Greenwood Cliff and Pearl Park Way. Complementing Pearl Park Way Extension (T10), this connection will support pedestrian and vehicular connectivity for area development. The resulting network also will provide shorter alternative routes that avoid the East Morehead Street and Kenilworth Avenue intersection. The new or extended street should be built as a local side street with built-in traffic calming.

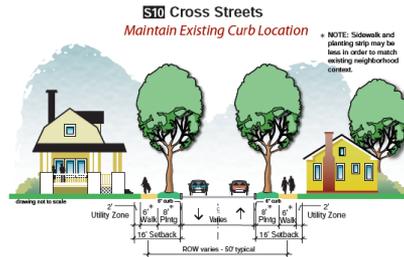
Street Standard: Midtown Morehead Cherry Area Plan Harding Place, Greenwood Cliff, Pearl Park Way



S9 Future Development Standards	
Roadway and On-Street Parking	<ul style="list-style-type: none"> • Existing curb location to remain except for recessed parking • Mixed travel zone for two-way traffic • 2' 6" curb and gutter
Bicycle Lanes	<ul style="list-style-type: none"> • Generally no bicycle lanes on local streets
On-street Parking	<ul style="list-style-type: none"> • Widen street to create 8' recessed parking 11' off of the street centerline, if frontage will result in 3 or more spaces.
Planting Strip	<ul style="list-style-type: none"> • 8' planting strip with street trees per <i>Charlotte Tree Ordinance</i>
Sidewalk	<ul style="list-style-type: none"> • 6' sidewalk
Building Setbacks	<ul style="list-style-type: none"> • Within PED and urban districts, 22' from back of (non-recessed) curb • In other areas, per zoning requirements

Street Standard: Midtown Morehead Cherry Area Plan

Berkeley Ave



S10 Future Development Standards	
Roadway and On-Street Parking	<ul style="list-style-type: none"> Existing curb location to remain except for recessed parking Mixed travel zone for two-way traffic 2' 6" curb and gutter
Bicycle Lanes	<ul style="list-style-type: none"> Generally no bicycle lanes on local streets
On-street Parking	<ul style="list-style-type: none"> Existing street width is generally adequate for parking, even if yield-flow condition results for travel zone
Planting Strip	<ul style="list-style-type: none"> Match existing block context, if adjacent planting strips are between 4' and 8' wide Minimum 4' planting strips, if adjacent context is less than 4' wide Street trees per <i>Charlotte Tree Ordinance</i>
Sidewalk	<ul style="list-style-type: none"> Match existing block context, if adjacent sidewalks are between 5' and 6' wide Minimum 5' sidewalks, if adjacent context is less than 5' wide
Building Setbacks	<ul style="list-style-type: none"> Within PED and urban districts, 16' from back of (non-recessed) curb In other areas, per zoning requirements

Comprehensive Transportation Network



Transportation Improvements:

- Construction of a comprehensive street network with on-street parking
- Extension of Pearl Park Way to Baxter Street per adopted area plan
- Connection of Pearl Park Way to Greenwood Cliff Road per area plan (via Berkeley Ave.)
- "Greenway" style trail through park connecting Little Sugar Greenway towards Center City
- Extension on of bike lane on Kenilworth Avenue

Public Benefits



Pedestrian Improvements:

- Walkable streetscape along Pearl Park Way, Kenilworth Ave and Greenwood Cliff Road
- Pedestrian lighting
- Extension of Greenway trail towards Baxter Street
- Use of city street standards at pedestrian zones
- Extension of Greenway trail from Pearle Park to Little Sugar Creek Greenway

Park Improvements:

- Improved access from McDowell Street and Uptown
- Turf improvements, landscaping, removal of old asphalt
- Designated parking area
- Improved entrance features (landscape and hardscape) at Kenilworth Ave and Pearl Park Way

Land Exchange



Land Exchange



Expanded Pearle Street Park



*Areas approximate/subject to final surveys

Land Exchange Summary:

• Existing Pearle Street Park	8.99 Ac
• Transfer from City	1.06 Ac
• Transfer from CHA	1.90 Ac
• Transfer to street right-of-way	(1.60 Ac)
• <u>Sale of remnant</u>	<u>(0.39 Ac)</u>
• Net Expanded Pearle Street Park	9.96 Ac

Funding for park improvements:

• Sale of remnants	\$1,414,669
• Minimum park budget	\$937,000



Funding

- New CRRA office building – funded by CRRA
- New mixed-use development – funded by Pappas Properties
- New public infrastructure – financed and constructed by Pappas Properties (to be reimbursed via TIG on new development)
- TIG limited to public infrastructure
- Park improvements – funded by County via proceeds of sale of remnants to Pappas

Proposed Tax Increment Grant Terms

	Total Cost
Phase I	\$2,243,800
Phase II	\$1,632,471
Maximum reimbursement for infrastructure	\$3,876,271

- Annual reimbursement = 45% of County and City incremental increase in total real property and business personal property taxes
- “Trigger date” for commencement of TIG payments will be 1 to 4 years after construction begins at each phase
- Total TIG payments limited to actual cost plus interest; also maximum payout period of 10 years (whichever comes first)

Requests for Action

May 12

Economic Development Committee recommendation

May 23

City Council

- Approve Pearle Street Park Public Improvements and Infrastructure Term Sheet
- Consent to rezoning of remnant parcels
- Approve Greenwood Cliff abandonment contingent on construction of new streets