



WHAT'S INSIDE:	<u>Page</u>
Calendar Details	2
<u>Information:</u>	
Council Packet Delivery Week of June 29	2
July 9 – MYEP Local Government 101 Session.....	2-3
Certificate of Achievement for Excellence in Financial Reporting (CAFR).....	3
Internal Audit Report – CMPD Vice Imprest Fund.....	3
2015 State Legislative Report #20	3
<u>Attachment:</u>	
May 21 Economic Development & Global Competitiveness Committee Summary .	4

WEEK IN REVIEW:

Mon (June 29)	Tues (June 30)	Wed (July 1)	Thurs (July 2)	Fri (July 3)
11:00 AM Police Chief Swearing-In Ceremony, Meeting Chamber				INDEPENDENCE DAY HOLIDAY
1:00 PM Budget Committee, Room CH-14				

CALENDAR DETAILS:

Monday, June 29

11:00 AM Police Chief Swearing-In Ceremony, Meeting Chamber

1:00 PM Budget Committee, Room CH-14

AGENDA: FY16 budget process follow-up; Review of future work/planning;
Employee health clinic

Friday, July 3

INDEPENDENCE DAY HOLIDAY

June and July calendars are **attached**.



June-July 2015.pdf

INFORMATION:

Council Packet Delivery Week of June 29

Staff Resource: Wilson Hooper, City Manager's Office, 704-336-8774, whooper@charlottenc.gov

Due to the City's Independence Day holiday on Friday, July 3, there will be only one packet delivery and Council-Manager Memo next week. The packet and Council-Manager Memo are scheduled for delivery on Thursday, July 2.

Council is request to contact Mindy Levine or Robin Lo Furno for alternative delivery arrangements if they are needed.

July 9 – MYEP Local Government 101 Session

*Staff Resources: Sarah Hazel, City Manager's Office, 704-336-6496, shazel@charlottenc.gov
Steve Wood, NBS, 704-336-4161, swood@charlottenc.gov*

On Thursday, July 9 the City of Charlotte and Mecklenburg County will jointly host #LocalGovt101 at the Charlotte-Mecklenburg Government Center. This session is designed to educate Mayors Youth Employment Program students who work for the city and county about local government and opportunities for civic engagement. The session will include a presentation by the City and County Managers on the council-manager form of government, an activity led by local partner GenerationNation, and breakout sessions with city/county employees from all disciplines to introduce students to career possibilities in local government. A concurrent session will be held for the supervisors of MYEP students, designed to help them better engage with Millenials in the workplace.

A light breakfast for the students will begin at 9:30 a.m. in Room 267. The first presentations will begin at 10 a.m. in the Meeting Chamber. City Council members and County Commissioners are invited to participate in the sessions at these times. Please contact Sarah Hazel or Steve Wood with any questions.

Certificate of Achievement for Excellence in Financial Reporting (CAFR)

Staff Resource: Randy Harrington, Management and Financial Services, 704-336-5013, rijarrington@charlottenc.gov

The Finance Office has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR) for fiscal year 2014. This certificate is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment.

This is the City of Charlotte’s 30th consecutive Certificate of Achievement for Excellence in Financial Reporting.

In order to receive this award, the CAFR was judged and reviewed by an impartial panel to meet the high standards of the program including demonstrating a constructive “Spirit of Full Disclosure” to clearly communicate the City’s financial story.

The GFOA established this program to encourage and assist state and local governments to exceed the minimum requirements of generally accepted accounting principles and to recognize individual governments that succeed in preparing comprehensive annual financial reports that evidence the spirit of transparency and full disclosure.

Internal Audit Report – CMPD Vice Imprest Fund

Staff Resource: Greg McDowell, City Auditor, 704-336-8085, gmcdowell@charlottenc.gov

The summary report of 2014 Vice Imprest Fund audits is attached.



Vice Imprest 2014
Audit Report.pdf

2015 State Legislative Report #20

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

Attached is the latest State Legislative Report.



final week 20
report.pdf

ATTACHMENTS:

May 21 Economic Development & Global Competitiveness Committee Summary



EDSummary5-21-15.
pdf

June

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
	1 3:00pm Intergovernmental Relations Committee Mtg., Room 280 4:00pm Budget Straw Vote Conclusion and Council Workshop, Room 267	2 <div style="background-color: #cccccc; padding: 5px; text-align: center;">Optional Council trip to Raleigh</div>	3	4	5	6
7	8 5:00pm Council Dinner Briefing, Room 267 6:30pm Council Business Mtg./Budget Adoption, Meeting Chamber	9	10 12:00pm Housing & Neighborhood Dev. Committee Mtg., Room 280 2:00pm Environment Committee Mtg., Room 280	11 12:00pm Community Safety Committee Mtg., Room 280 2:00pm ED & Global Competitiveness Committee Mtg., Room CH-14	12	13
14	15 5:00pm Zoning Meeting, Room CH-14	16	17	18	19	20
21	22 2:00pm City Manager's Update Meeting, Room CH-14 5:00pm Citizens' Forum/Council Business Meeting, Room 267	23 4:00pm Chief Monroe Retirement Celebration, Meeting Chamber 6:30pm Mayor Pro Tem Barnes' Town Hall Mtg., CFD HQ – 500 Dalton Ave.	24 5:30pm MTC Meeting, Room 267 <div style="background-color: #cccccc; padding: 10px; text-align: center;">Chamber Inter City Visit Nashville, TN</div>	25	26	27 9:00am District 4 Shred Event & Sustainability Fair, IKEA – 8300 Ikea Blvd.
28	29 11:00am Police Chief Swearing In Ceremony, Meeting Chamber 1:00pm Budget Committee Mtg., Rooms CH-14	30				
						<div style="background-color: black; color: white; padding: 10px; border: 2px solid black; font-size: 2em; font-weight: bold;">2015</div>

July

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
			1	2	3	4
					Independence Day Holiday	
5	6	7	8	9	10	11
12	13 12:00pm Governance & Accountability Committee Mtg., Room 280 3:00pm Transportation & Planning Committee Mtg., Room 280	14	15	16	17	18
19	20 12:00pm City Manager's Evaluation, Room CH-14 5:00pm Zoning Meeting, Room CH-14	21	22 5:30pm MTC Meeting, Room 267	23	24	25
26	27 5:00pm Citizens' Forum/Council Business Meeting, Room 267	28	29	30	31	

2015



**Report of Internal Audit
Charlotte-Mecklenburg Police Department
Vice Imprest Fund 2014
June 23, 2015**

**City Auditor's Office
Gregory L. McDowell, CPA, CIA**

**Report of Internal Audit
Charlotte-Mecklenburg Police Department
Vice Imprest Fund 2014
June 23, 2015**

Purpose and Scope

Internal Audit performs periodic reviews of the Charlotte-Mecklenburg Police Department (CMPD) Vice Imprest Fund. We performed six reviews during calendar year 2014, and this report summarizes our results. The purpose of the reviews was to verify the cash on hand and to determine whether the officers in the Vice and Narcotics Division adhered to the established policies and procedures for replenishment of funds.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This report is intended for the use of the City Manager's Office, City Council, and the Charlotte-Mecklenburg Police Department.

Conclusion and Summary Results

The controls in place related to the Vice Imprest Fund are adequate and operating satisfactorily. Accounting for the Imprest Fund and related case documentation is detailed and complete. All advances have been accounted for, although some transactions continue to exceed CMPD's guidelines for timeliness. CMPD supervisory staff continues to give attention to its administrative controls and has reduced non-compliant transactions from 19% in 2013 to 12% in 2014. We are satisfied with the level of controls in place and with CMPD's progress toward higher compliance.

Background

The Vice Imprest Fund was established by the CMPD Special Investigations Bureau, Vice and Narcotics Division (Division), for use in ongoing investigations related to controlled substances, prostitution, gambling and other criminal activities.

The Division is currently authorized to maintain \$40,000 cash in the Imprest Fund. CMPD's standard operating procedures call for the replenishment of Imprest Funds when two-thirds of the fund has been expended, or when approximately \$13,000 is remaining in the fund. The shift sergeant notifies Internal Audit when the fund reaches that level and requests the audit. Over the past several years, annual replenishments have ranged

from \$150,000 to \$200,000 and totaled \$175,433 during 2014. For FY15, the budget for replenishment is \$200,000.

The Imprest Fund cash is kept inside a locked safe in a secure location within the Division. Physical access to the safe is tightly controlled. The Division Commander and Division supervisors are authorized to advance funds – using numbered vouchers for accounting control – to Sergeants, Lieutenants, and Special Investigative Bureau detectives for specific purposes, including the following:

- For officers to purchase controlled substances during an undercover investigation.
- For informants to purchase controlled substances, when establishing their reliability, or when needed to establish probable cause to obtain a search warrant.
- For payment of admission, when required, to enter business establishments while conducting authorized investigations, or to pay for drinks and tips that are reasonable and necessary during the investigation.
- For emergency travel that will be reimbursed to the Imprest Fund with City or Federal travel funds.

Each Supervisor is responsible for ensuring that:

- Vouchers accounting for the use of Imprest Funds, along with any remaining unspent funds, are returned within the prescribed time limits – 30 days for most advances, seven days for informant payments, and by the end of the current shift for large advances with an unused balance of \$1,000 or more.
- The appropriate case notes and documentation on all expenditures and informant payments are complete, accurate and filed in the appropriate location within the safe room.
- The returned vouchers are complete and accurate, and all signatures are legible.

All property purchased by the Vice and Narcotics officers must be submitted to the CMPD Property Control Bureau (PCB). The evidence is sealed in bags and initialed by the impounding officers. Items too large or bulky for packaging are tagged. The responsibility of the PCB begins when the evidence and paperwork are presented for processing and storage at the PCB receiving counter. PCB personnel ensure that the accompanying evidence information sheets are accurately completed and that the items are appropriately packaged or tagged.

Open cash advances and informant pays are reviewed during the audits. As mentioned above, vouchers advancing Imprest Funds are to be returned within the prescribed time limits. Cash advances with a balance of \$1,000 or more remaining unused are to be returned to the vault by the end of the shift. The Division has notified all sergeants that the policy will be strictly followed. If officers are regularly late with their vouchers, they will lose the privilege of utilizing the Imprest Fund. The detectives assigned to the

Special Investigations Bureau who are continually late with their vouchers are subject to disciplinary actions.

Results of Audit

1. **Cash on hand reconciled to record; expenditures were documented and agreed to policies; property evidence was controlled.**

During calendar year 2014, six audits were conducted, and the vice fund records were accurately reconciled to vault cash on each occasion. Replenishments for the year totaled \$175,433. The number of transactions per audit period ranged from 135 to 176. For randomly selected items tested, Division personnel pulled the official documentation related to the case. Auditors reviewed each file to determine that the departmental policies and procedures had been followed. In addition, random property reports were selected for testing. Auditors visited the Property Control Bureau to verify that each selected item was on hand and packaged properly. There were no exceptions.

2. **Documentation adequately supported expenses, but was submitted late by officers for 12% of transactions.**

There were 933 cash advances and informant pays totaling \$289,645 issued during calendar year 2014. As noted in the Background section, CMPD has a detailed procedure for handling cash advances.

Unused funds are common and expected. Officers make tentative plans for the use of funds, but many times return the funds without completing a transaction. In 2014, nearly 40% of the funds advanced were returned unused.

Over the past several years, CMPD has taken actions to reduce the amount of time unused funds are held by officers. Particular attention has been given to large advances that are not used as planned during a detective's shift, and that result in unused advance funds of \$1,000 or more. Advances with \$1,000 or more unspent require return of unused funds during the shift the funds were obtained. During the year, 26 cash advances were over \$1,000 each, totaling \$52,770. All advances were completed (transaction, report and/or return), as required.

More common advances under \$1,000 have also received considerable attention. The enforcement of Department policies ensure that unused funds are accounted for, including the timely submission of documentation in support of Imprest Fund expenses. During 2014, documentation (while sufficient to support the expense) was submitted late for 80 advances and 31 informant pays. This represented 12% of such transactions compared to the 19% rate of late submissions in 2013.

Actions Taken: In 2012, a Vice Policy was implemented to track late vouchers and impose penalties for non-compliance. As a result in 2014, 14 officers received verbal warnings and five officers were suspended from using Vice funds a period of 90 days each. The 19 officers impacted by the Policy represent 18% of the 108 officers initiating vice transactions in 2014.

Recommendation: Even though the non-compliance penalties decreased from 19% in 2013 to 12% in 2014, CMPD should continue to work with officers to reduce the non-compliance penalties.

CMPD Response: Vice continues to work hard to improve all the procedures to ensure that every voucher is returned on time with complete and comprehensive information. Since implementing our new policy in May 2014, the number of late vouchers has significantly been decreased. Of the 111 total late vouchers only 45 came after the new policy was implemented. Supervisors will continue to enforce this policy and are determined to see the total number of late vouchers continue to decline.



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

June 26, 2015

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

FROM: Dana Fenton, Intergovernmental Relations Manager

SUBJECT: 2015 State Legislative Report #20

Trending Topics

- **HB 97, 2015 Appropriations Act:** House rejected the Senate changes to HB 97; conferees have not yet been appointed to a House-Senate conference committee to resolve differences; House Finance discussed and received public input on the Senate's economic development, tax reform and sales tax redistribution measures on June 23 and 25; House Appropriations subcommittees will meet next week to discuss their sections of the Senate budget proposal.
- **SB 284, Special Assessments for Critical Infrastructure Needs Act,** which was requested by the Metropolitan Transit Commission, passed the House with an amendment necessitating Senate concurrence; sent to Governor on June 24; see more on page 5.
- **SB 60, NC Street Gang Nuisance Abatement Act** amendment requested by the City was enacted into law on June 19 (SL 2015-91).
- **SB 25, Zoning / Design & Aesthetic Controls** legislation was signed into law by the Governor on June 19 (SL 2015-86).

State Budget

2015 Appropriations Act ([HB 97 – Dollar, L. Johnson, McGrady and Lambeth](#)) proposal from the Senate was rejected by the House. House Finance Committee met twice this week, and will meet again on Tuesday, June 30 to discuss and hear public input on the finance provisions in the budget including sales tax redistribution, sales tax base expansion, economic development proposals and personal income tax changes. House Appropriations Committee subcommittees will review their assigned portions of the Senate budget proposal next week.

Notwithstanding the inclusion of the sales tax redistribution and economic development proposals, the two chambers are far apart on many issues that will not be easily resolved.

Medicaid Reform is a major sticking point as the Senate included reform in HB 97 but the House prefers to work it out through separate legislation. For these reasons, a House-Senate conference committee will be formed to iron out the differences will and a continuing resolution will be prepared to ensure the State has a budget starting July 1.

Starting on July 1, 2016, the Senate sales tax redistribution proposal maintains the sales tax as a local source of revenue and phases in a 20% point of collection / 80% per capita distribution system over a four year period from the current 75% point of collection / 25% per capita system. The current adjustment factors are repealed and the sales tax base is expanded. Transition would be complete by FY 2020. The Senate added a proviso that the net proceeds of the tax revenue received by a county from the per capita allocation must be used for public education and community college purposes. The legislation doesn't speak to how cities must spend their per capita allocation.

Local sales tax base expansion would be accomplished by reducing the purchases subject to the non-profit sales tax refund starting on July 1, 2016, and repealing exemptions for installation, repair and maintenance of tangible personal property, veterinary services, and pet care services (other than veterinary services) effective October 1, 2015. By FY 2020, these changes are expected to raise local sales and use tax collections by \$162.4 million.

The Senate also makes substantial changes to the state's economic development programs, especially the Job Development Investment Grant program. While the cap on awards initially proposed for the three largest counties, Durham, Mecklenburg and Wake, was not included in HB 97, the Senate nonetheless created a Major Market Community tier for these three counties and requires higher thresholds for job creation, average weekly wages, incentive awards and diversion to the utility account for projects in this tier.

A summary of key differences in the House and Senate budget proposals is attached.

Fiscal & Administrative

Exempt Builder's Inventory ([HB 168 – Hager, Millis, Brody and Collins](#)) allows a property tax exemption for any increase in the value of residential real property held for sale by a builder. The bill broadens the definition of a "builder" by removing the requirement that they be licensed as a general contractor under G.S. 87-1. Fiscal impact of the introduced version of the bill estimates a revenue loss for the City in FY 2016 of \$5.8 million growing to \$6 million in FY 2017. HB 168 was amended in House Finance Committee and on the House floor to: restrict the exemption to owner-occupied single family homes and duplexes, thus excluding condominiums from the exemption; end the exemption when the property is sold or 3 years from the time builder should have listed the property; is effective for taxes imposed for taxable years beginning or after July 1, 2016; and applies to subdivision of or other improvements made on or after July 1, 2015. HB 168 passed House and sent to Senate. City Finance is working with Mecklenburg County to determine an updated fiscal impact.

DOT Condemnation Changes ([HB 127 – Stam, Jackson and Bryan](#)) would amend the “quick take” condemnation statutes that are in the General Statutes Chapter detailing NC Department of Transportation powers to award attorney’s fees in “quick take” condemnation cases where the amount of the judgment exceeds by 25% or more any deposits made more than six months before the verdict is rendered. Accordingly, any deposits made within six months of the verdict would not be considered by the Courts regardless of whether any such deposits were based on new information or the discovery process. It is believed that the legislation would cause more cases to go to trial and raise local costs for property acquisitions. Since local governments have the power to use these statutes for their own property acquisition needs, this bill impacts all local governments. HB 127 passed the House and was discussed in Senate Transportation. It was clear from the questions being asked in Senate Transportation Committee that members are skeptical of the need for the legislation. The NC Department of Transportation and NC League of Municipalities are opposed to HB 127.

Repeal Business License Fees ([HB 739 – Brawley](#)) would remove the authority for cities to charge a regulatory user fee to businesses that are located in cities, which was intended by some cities as a replacement for the privilege license tax. HB 739 passed the House and was referred to Senate Rules. Due to the concern that HB 739, if enacted, would repeal local authority to charge specific regulatory user fees, Representative Brawley has agreed to work with the NC League of Municipalities and City of Charlotte on language that precludes that possibility.

Regulatory Reform Act of 2015 ([HB 760 – Millis, J. Bell and Riddell](#)) would make various regulatory changes including one that precludes the Environmental Management Commission from approving local stormwater programs that do not meet the State model stormwater management program. The City’s stormwater management program exceeds the State model due to the need to meet federal clean water mandates. The sponsor, Representative Millis, said that it was not his intent to prevent local programs from meeting federal mandates and he has agreed to form a stakeholder’s group to address this issue while the bill is in the Senate. The City is working with the NC League of Municipalities on amendments that would clarify that only State delegated stormwater programs are subject to the Commission action to meet the State model stormwater management program, not local programs such as those enacted by the City of Charlotte. HB 760 passed the House and received serial referrals to Senate Agriculture / Environment / Natural Resources and Finance Committees.

Local Government Regulatory Reform Act 2015 ([HB 44 – Conrad, Lambeth, Hanes and Terry](#)) makes several regulatory changes affecting local governments. HB 44 passed Senate and was sent back to House for concurrence, but the House rejected the changes. Sections of interest to the City are notification to property owners prior to beginning local government construction projects, conversion of travel lanes to bike lanes, riparian buffer reform, and county control of development. City staff is working with the NC League of Municipalities and other local governments on potential amendments to these sections.

Environmental & Planning

Outdoor Advertising ([HB 304 – Hager, Collins, J. Bell and Hanes](#) / [SB 320 – Brown, Rabon and Tarte](#)) preempts local authority with statewide standards with respect to the location, height

and size of relocated signs and conversion to changeable message signs. The legislation appears to open the door to relocating outdoor advertising from industrially zoned areas to commercially zoned areas, notwithstanding local ordinances to the contrary, and allowing such signs to be higher and larger than those allowed under existing local ordinance. HB 304 received serial referrals to House Commerce and Finance Committees, and SB 320 received serial referrals to Senate Commerce and Finance Committees.

Subdivision Ordinance / Land Development Changes ([HB 721 – Bryan, Stam, Bishop and Bradford](#)) would reform performance guarantee practices. HB 721 passed the House and received serial referrals to Senate Judiciary II and State and Local Government Committees. Due to the concern that some of the language would restrict the ability of cities to use performance guarantees for repair work prior to final inspection approval, Representative Bryan is working with the City of Charlotte in considering amendments in the Senate.

Zoning Changes / Citizen Input ([HB 201 – Stam, Goodman, Jackson and Fraley](#)) repeals the protest petition provisions that trigger the requirement for a three-fourths vote of governing body members to approve a rezoning in the event of a qualified protest against a zoning map amendment and replaces it with a requirement for a simple majority vote for all zoning decisions. HB 201 also implements an affirmative requirement for written communications regarding all zoning cases to be submitted to governing body. HB 201 passed the House and was referred to Senate Commerce.

Public Safety

Rental Registration ([HB 530 – Brawley](#) / [SB 442 – Gunn, Ford and Wade](#)) prohibits mandatory registration of all rental properties in favor of registration of only those units that meet certain crime and disorder thresholds. City currently requires all owners to register their properties so that Police can inform them of when crime occurs on the property, regardless of whether any of their properties meet the crime or disorder thresholds enumerated in the legislation. Without a database of rental properties and owners, the City will not be able to comply with its own requirement that all owners or managers be notified of crimes that occur on their properties. Legislation also prohibits local governments from imposing criminal penalties for noncompliance. Violation of the local ordinance is classified as a misdemeanor, which is only charged as a last resort for flagrant violators. By charging a misdemeanor, it triggers the judiciary to adjudicate the end result and affords due process to both the City and the owner or manager of the property. HB 530 was reported out of House Local Government and has serial referrals to the House Regulatory Reform and Finance Committees. The NC League of Municipalities is working with Representative Brawley on compromise language.

Regulate Transportation Network Companies ([SB 541 – Rabon and McKissick](#)) provides for a statewide regulatory regimen for transportation network companies and drivers administered by the Department of Motor Vehicles and addresses liability insurance requirements and background checks for drivers. SB 541 was discussed in Senate Transportation on June 10. City staff is working with bill proponents on mutually agreeable language for Airports to contract with transportation network companies for the appropriate use of airport facilities.

City Requested Legislation

Legislation requested by the City that has been enacted into law includes amendments to the **Charlotte Firefighters' Retirement System** (**HB 70 – Bishop, Bradford, Alexander, Bryan, Jeter and R. Moore**), **Civil Service Board** (**HB 143 – Bishop, Cunningham, Cotham, Bradford, Alexander, Carney, Earle, Jeter and R. Moore**) and **NC Street Gang Nuisance Abatement Act** (**Section 4 of SB 60 – Bingham**).

Stormwater Management (**HB 141 – Jeter, Cotham, Cunningham, Bradford, Bryan, Carney, Earle and R. Moore**) authorizes municipalities in Mecklenburg, Wake, Durham, Forsyth and Guilford Counties to utilize the statutory authority extended to Mecklenburg and Wake Counties in 2014 to implement flood reduction techniques that result in improvements to private property. HB 141 passed the House and was referred to Senate Rules.

Metropolitan Transit Commission Requested Legislation

Infrastructure Assessments / Extend Sunset (**SB 284 – Hartsell**) extends the sunset date of the Special Assessments for Critical Infrastructure Needs Act to July 1, 2020. The Act allows counties and cities to form districts to finance the construction of public transportation, streets and sidewalks, parking facilities, stormwater facilities, renewable energy and many other types of infrastructure. SB 284 was amended on the House floor on Monday, June 22 to restrict the term of bonds issued under the Act to 25 years, which is less than the current 30 years. The change was requested by the State Treasurer's Office as a 25 year term is consistent with policies established by the State Treasurer's Office for these types of bonds. Amendment was concurred by the Senate on June 24 and the bill was sent to the Governor for consideration.

**COMPARISON OF HOUSE AND SENATE BUDGET PROPOSALS
HB 97, EDITIONS 5 AND 7**

Sales Tax Redistribution	House (HB 97, Edition 5)	Senate (HB 97, Edition 7)
State or Local Source of Revenue	House did not make any changes to current sales and use tax laws in its budget proposal	Local
Distribution Methods		FY 2016 – 75% Point of Collection / 25% Per Capita (Current Method) FY 2017 – 60% Point of Collection / 40% Per Capita FY 2018 – 45% Point of Collection / 55% Per Capita FY 2019 – 30% Point of Collection / 70% Per Capita FY 2020 – 20% Point of Collection / 80% Per Capita
Fiscal impact to non-profits of phase down of non-profit sales tax refund over five years		FY 2016 – \$0 FY 2017 – \$56.8 million FY 2018 – \$113.7 million FY 2019 – \$170.5 million FY 2020 – \$227.4 million
Net new revenues for State from sales tax base expansion		FY 2016 – \$122.3 million FY 2017 – \$242.9 million FY 2018 – \$292.0 million FY 2019 – \$341.4 million FY 2020 – \$385.6 million
Net new revenues for Local Governments from sales tax base expansion		FY 2016 – \$49.7 million FY 2017 – \$100.1 million FY 2018 – \$120.6 million FY 2019 – \$141.5 million FY 2020 – \$162.4 million
Adjustment Factor		Eliminated
Distribution between Cities and Counties		No change from current law
City Hold Harmless		No change from current law
Transit Sales Tax		Benefits from local sales tax base expansion; otherwise, no change from current law
Earmarking of New Revenues		Counties must use net proceeds from per capita allocation for public education and community colleges No restrictions cited for cities
Local Sales Tax Cap	Caps local sales tax rates at 2.5%, except for Durham and Orange Counties who are at 2.75%; Mecklenburg would be at cap	

**COMPARISON OF HOUSE AND SENATE BUDGET PROPOSALS
HB 97, EDITIONS 5 AND 7**

Key Sections	House	Senate
HB 97 Bill Text	Edition 5 Bill Text	Edition 7 Bill Text
HB 97 Committee Report	Committee Report	Committee Report
FY 2016 General Fund Expenditures	\$22.1 billion	\$21.3 billion
FY 2017 General Fund Expenditures	\$22.4 billion	\$21.5 billion
Earmarking of Year-End Revenues	\$200 million to rainy day fund \$200 million to repairs and renovations fund (Page 1 of Committee Report)	\$500 million to rainy day fund \$155 million to repairs and renovations fund (Page 1 of Committee Report)
Film and Entertainment Grant Fund	\$40 million each year (L-2 of Committee Report)	\$10 million each year (L-2 of Committee Report)
Historic Preservation Tax Credit	Incorporates HB 152 passed by House (Section 32.3 of Budget)	Not included
Compensation	2% for members of the Teachers and State Employees, Legislative, and Judicial Retirement Systems (Section 30.21 of Budget)	Reserves \$34 million to adjust salaries in response to labor market demand (L-1 of Committee Report)
\$215.8 million Highway Fund Transfer to General Fund for Highway Patrol	Maintains transfer (Page 1 of Committee Report)	Ends transfer (Page 1 of Committee Report, K-4 of Committee Report)
LYNX Blue Line Extension \$25 million State share for construction	Maintains funding (532 of Recommended Base Budget for Transportation)	Maintains funding (532 of Recommended Base Budget for Transportation)
State Maintenance Assistance Program for transit agencies	Maintains funding (532 of Recommended Base Budget for Transportation)	Maintains funding (532 of Recommended Base Budget for Transportation)
Statewide Public Transportation Grants	\$1 million more each year (K-2 of Committee Report)	\$1 million more each year (K-2 of Committee Report)
Powell Bill program	Funding reduced by nearly \$7.7 million starting in the second year of the biennium FY 2017 due to lower motor fuels excise tax revenues; \$1 million fiscal impact to City in FY 2017 (K-1 of Committee Report)	Repeals statutory formula tying funding to 10.4% of motor fuels tax revenues Appropriates additional funding of \$1.2 million in FY 2016 and \$3.7 million in FY 2017 (K-1 of Committee Report, Section 29.17D of Budget)
Governor's Bond Proposal	Appropriates \$50 million as a debt service reserve if the Governor's proposed transportation bond proposal is passed by voters (K-6 of Committee Report)	Not included

**COMPARISON OF HOUSE AND SENATE BUDGET PROPOSALS
HB 97, EDITIONS 5 AND 7**

Key Sections	House	Senate
Key Transportation Program Enhancements	Additional \$43.5 million recurring funds in FY 2016 for Strategic Transportation Investments, which is offset by \$22 million recurring reduction in FY 2017; Additional non-recurring funds of \$42.5 million in FY 2016 and \$120.5 million in FY 2017 for Contract Resurfacing program; Additional non-recurring funds of \$10.6 million in FY 2016 and \$30.1 million in FY 2017 for Ports Authority modernization; (K-2, K-4 and K-6 of Committee Report)	Additional \$167.2 million recurring in FY 2016 and \$171.9 million recurring in FY 2017 for Strategic Transportation Investments; Additional \$50 million recurring each year for Bridge Program; Additional \$35 million recurring each year for Pavement Preservation; Additional \$35 million recurring each year for Ports Authority modernization; (K-2, K-4 and K-6 of Committee Report)
Division of Motor Vehicle Fees	Across the board adjustments in Division of Motor Vehicles fees result in \$76.1 million in FY 2016 and \$172.2 million more in FY 2017 Effective January 1, 2016 (Section 29.30 of Budget, K-4 of Committee Report)	Across the board adjustments in Division of Motor Vehicles fees result in \$29.18 million in FY 2016 and \$76.99 million more in FY 2017 Effective January 1, 2016 (Section 29.30 of Budget, K-3 of Committee Report)
Motor Fuels Tax Rate	Raises rate for diesel fuel from 35 cents to 36 cents per gallon Lowers rate for all other fuels from 35 cents to 33 cents per gallon Lowers revenues available for transportation by \$30.5 million in 2016 and \$28.7 million in 2017 Changes effective 1/1/2016 (Section 29.29 of Budget)	Not included
Strategic Transportation Investment Act Amendments	Requires use of "peak average daily traffic data in the Congestion formula" which favors rural areas, and tends to move program away from a "data-driven" approach (Section 29.3 (a) of Budget)	Not included

COMPARISON OF HOUSE/SENATE ECONOMIC DEVELOPMENT PROPOSALS

COMPONENT	HOUSE (HB 117)	SENATE BUDGET (HB 97)
JDIG		
Modification of annual JDIG cap	One-time modification – collapse 2013-15 fiscal biennium and 7/1/15 to 12/31/15 into single period; increase cap from \$30M to \$45M for that period	One-time modification – collapse 2013-15 fiscal biennium and 7/1/15 to 12/31/15 into single period; increase cap from \$30M to \$35M for that period (\$50M, if high-yield project ¹ (HYP) is awarded) Persistent modification – increase \$15M cap to \$30M in years when a HYP is awarded a grant
Cap availability periods	Calendar year	Semi-annual periods (unused portion rolls forward until end of calendar year)
JDIG extension	1/1/20	1/1/18
Rebranding	Yes – Job Growth Reimbursement Opportunities – People Program	No
Modification to pre-requisite findings	Yes – EIC must find for tier 3 projects that the affected local governments have offered appropriate incentives	
Modification to minimum job creation requirement	Yes – increase tier 3 job creation minimum from 20 to 50 created eligible positions	Yes – increase tier 1 from 10 to 20, tier 2 from 20 to 50, tier 3 from 20 to 100, and Major Market Community ² (MMC) from 20 to 200
Reporting change	One-time report: study factors contributing to termination of JDIG grants, examining other state efforts/remedies re: underperformance	Annual report change: adds to the annual report a tier-itemized list of unaccepted, offered awards and the total value of the offers
Utility Account diversion change	Yes – increase diversion to UA from tier 3 areas from 25% to 30%	Yes, as follows: <ul style="list-style-type: none"> • Decrease diversion to UA from MMC areas from 25% to 15% • Decrease diversion to UA from tier 3 areas from 25% to 10% • Decrease diversion to UA from tier 2 areas from 15% to 5% • For HYP, diversion is eliminated during augmented award periods

¹ A high-yield project is one in which the business will invest at least \$750M in private funds and create at least 2,000 new jobs.

² A major market community is a county in which the average weekly wage for all insured private employers in the county is one of the three highest in the State. Currently, the 3 major market communities are Wake, Mecklenburg, and Durham Counties.

COMPONENT	HOUSE (HB 117)	SENATE BUDGET (HB 97)
Multi-location modification	No	Yes – use higher tier standards except for UA diversion where a tier 3/MMC project is also located in a tier 1/2 area and at least 66% of the created positions or benefits goes to the lower tier area, then use the UA diversion applicable to the lower tier area.
Clawback modifications	Yes – convert discretionary recapture provision to mandatory recapture provision if business fails to maintain operations for 150% of grant term	
Employment level maintenance comparison modification	Yes – changes the baseline from the year immediately preceding base period to the greater of employment at date of application or award	
Create wage standard	No	Yes – business must pay a percentage of average weekly wage for all insured private employers in the county equal to 100% for tier 1, 105% for tier 2, 110% for tier 3, and 120% for MMC.
Term modification	No	Yes – for HYP, limit is increased by 8 years during augmented award periods
JDIG withholding calculation modification	No	Yes – change from flat 75% to 80% for tier 1, 70% for tier 2, 60% for tier 3, 50% for MMC, and 100% for HYP during augmented award periods
One NC		
Rebranding	Job Growth Reimbursement Opportunities – Capital Program	No
Local Match Modification	No	Yes – change from flat 1:1 to a tiered 3:1 for tier 1, 2:1 for tier 2, 1:1 for tier 3, and 1:2 for MMCs
SIDF		
Rebranding	Site Acceleration Fund	No
Funding	\$20M from Job Catalyst Fund	\$13M GF appropriation
Utility Account		
Use Modification	Increase permissible uses from creating jobs to creating and retaining jobs	No

COMMITTEE AGENDA TOPICS

- I. Subject: Charlotte Business INClusion Update**
Action: Staff will seek input from the Committee on the CBI Policy's geographic eligibility requirements for counting Minority, Women, Small Business Enterprise (MWSBE) utilization toward MWSBE goals. The Committee will also receive an update on FY'15 CBI Outcomes.
- II. Subject: Eastland Mall Redevelopment.**
Action: On February 19th, staff presented preliminary alternative redevelopment concepts for the Eastland Mall site. Today staff will provide an update on the redevelopment process, planning concepts for the site, and potential partnerships on redeveloping the site in a strategic and market-based manner.
- IV. Next Meeting Date: Thursday, June 4, 2015, at 12:30 pm, Room CH-14**

COMMITTEE INFORMATION

Present: Michael Barnes, Claire Fallon and Vi Lyles
Absent: Al Austin, LaWana Mayfield
Others: Ed Driggs, Greg Phipps and John Autry
Time: 12:30p.m. – 2:10p.m.

ATTACHMENTS

1. Charlotte Business INClusion Update Presentation
2. Eastland Redevelopment Strategy Update Presentation

DISCUSSION HIGHLIGHTS

Chairman Barnes: Welcomed everyone to the meeting and asked for introductions. I want to particularly welcome our partners from the County here, you all are obviously a key part of agenda item two as well as item one actually, but certainly we are happy that you are here to talk about item two. Also the gentlemen from District 5 in whose District item two belongs and the gentlemen from District 4, thank you sir for being here.

The first item on our agenda is a discussion regarding the Charlotte Business INClusion Program and getting updates from Ms. Rosado and Mr. Powers. Mr. Kimble, I'll let you kick it off.

I. Charlotte Business INClusion Update

Kimble: I will turn it over to Mr. Harrington who will lead an introduction to this item and then turn it over to Nancy Rosado and Thomas Powers.

Harrington: Thank you. We were last before the Committee about two months ago in March and at that time we provided an update on the work of the Charlotte Business INClusion and some of our

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 2

community outreach efforts. There were also some questions as part of that conversation, particularly around geography and so we brought that back today to explain a little bit more about geography and the eligibility requirements associated with the policy. Then there were also some questions around some of our results of the program so we want to share that with you as well today. Nancy will be walking through those and Thomas Powers will be walking through some of the legal and geographic components and then we have some additional information at the back of the presentation that we won't cover, but if the Committee would like to go into those, we will certainly be happy to. With that, I will turn it over to Ms. Rosado.

Rosado: Randy did a great job of covering the purpose of the meeting which is to seek the Committee's input on the geographic area; there were a lot of questions about the current geography and possibly expanding that geography so we are going to cover that. We are also going to present some follow-up information, some more detailed information on the spend information that we shared in our mid-March update. We are going to start by covering the CBI Policy, what we currently use as our eligibility requirement and then we are also going to look at possible considerations for expanding it and what our alternative approaches that we could use. We are also going to look at the detail of the MWSBE mid-year spend. There were questions about bid rejections at the last meeting, how many bids have been rejected and what the cost difference impact to the City is so we will talk about that briefly in a slide. We will also go through the Good Faith Efforts and what contracts have been awarded through Good Faith Efforts in this current fiscal year. We will close up with the appendix. With the appendix, it really just provides the vendor breakdown analysis that the Committee requested. We currently have 885 certified MWSBE's in our database so it just gives you that breakdown by race, gender, ethnicity; it also gives it to you by county and by industry type, so it is just additional information to share with you.

We will start off by covering the current geography for the program. In order for an MWSBE to participate in the CBI Program, they have to be headquartered in what we call the significant business; there has to be a significant business presence and we define that significant business presence in the policy. Council has defined it as headquartered so the company has to be headquartered which means the management decisions; it has to be in one of the 13 counties that we currently have identified as our geographic area. The relevant market area that is defined which is that 13 county area, it is not something that the City designed; it is something that came out of the City's 2011 Disparity Study so the consultant defined the relevant market area based on the expenditures that they analyzed. The current CBI policy has our CSA; our Charlotte combined statistical area via those 13 counties. There are some in North Carolina and then there are three in South Carolina.

When we are looking at the MWSBE geographic eligibility, we are looking at the current policy which says a firm has to be headquartered in the CSA and that's the standard by which we currently certify firms. When we set a subtracting goal on a construction project, the firms that are utilized have to be certified, number one by our office or by the N.C. HUB Office, the North Carolina Historic Underutilized Business Office and they have to be headquartered in one of the 13 counties so it is not just the business presence that they have; they can't have an office here. They actually like the owner and the management and control decisions have to be headquartered here in one of the 13 counties. That is currently the standard that we use. The other two approaches that were brought to you back in 2011 when we were looking at revising the policy after the Disparity Study was completed was the

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 3

approach that was used by the Disparity Study was defining a significant business presence so that alternative approach A would be to eliminate the headquarters requirement and redefine significant business presence and what that means to the City. It could be a definition that looks at the number of employees that they have here, a physical office presence location, it could be the revenues that are generated from their activities here so it is really; there are a lot of variety and ways that you could do that. The alternative approach B would look at expanding the geographic area to include all firms that are currently certified by the N. C. HUB Office and this approach was brought back in 2013 when we looked at revising the policy and it was not something that could currently be utilized and Thomas will really get into the legal aspects of the considerations that need to take place there if that was to be considered. He will be doing that in the next slide.

Fallon: Does it have to actually be a headquarter or could it be a branch?

Rosado: No the current policy says headquarters so they have to be headquartered here. For example, I will get phone calls from companies that are headquartered in the Triad for example but they do business here in Charlotte and they have an office here so they want to get certified and currently the policy doesn't allow us to certify them.

I just wanted to highlight some impacts of the decision. When you look at the current CBI policy and you compare it to the 2011 Disparity Study relevant market, the pool of MWBE's is going to be smaller because the Disparity Study looked at just business presence. As long as they had a presence in the geographic area, they were counted towards the availability that was included in that study. With our policy, we've eliminated and enclosed that gap to say no, they have to be headquartered here, physical presence isn't enough, which means that there is a smaller pool of MWBE's available. For example, if the Disparity Study identified 1,000 African-American owned firms to have a presence here that means that they were included in any business that had an office location, not just a headquarter so when you take that further down and say no we just want those that are headquartered, now you may be cutting back from 1,000 down to 500. It's going to be a smaller pool of MWBE's. The alternative approach A would be consistent with how the Disparity Study identified relevant market which would be a presence. The alternative approach B which would be to open it up all MWBE's that are certified by the State of North Carolina, it would be a larger pool, but you are also looking at possibly including firms from all over the U.S., not just headquartered or even have an office or presence here. They are just interested in doing business in the State of North Carolina.

Administrative considerations for all three of these currently the way the policy is written it is somewhat easy to verify headquarters; there are documents and information that can be provided so when we are doing the vetting for certifying Small Business Enterprises, it is relatively easy to do. The alternative approach A would be a little bit more difficult because now you are looking at doing some additional digging and identifying what that means. If it's an office, there would be a site visit involved to make sure that there is actual physical presence office here. If you are looking at employees, now you are looking at employee registries information so there would be additional vetting that would have to happen by the City. For alternative approach B, there wouldn't be any vetting required by the City because we would be using those firms that are already certified by the State so there wouldn't be any additional vetting on the City's side. As far as the impact, when you are looking at these three approaches and the impact of our spend that we track and report, the current policy is going to have a lower impact. We mean that we are cutting down that pool so there

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 4

are less dollars that we are reporting on; that doesn't mean there are less dollars that are being spent it is just that the tracking, those that we are tracking is going to be smaller pool so therefore it is going to be lower. If you are looking at alternative approach A, it is going to be higher because now you are including more individuals in that tracking and obviously B would be the highest because you would be including everyone.

Powers: One of the things that in regards to the previous discussions about the current policy, the alternative approach A and the alternative approach B is the ramifications in regards to how the courts would look at our program. This is why the column on the left is talking about withstanding a constitutional claim under the Federal constitution as well as a State law claim as well. These programs have been challenged over the years; again the initial case in this instance was the City of Richmond back in 1989 where as required anytime a constitutional challenge is taking place it must withstand strict scrutiny for a racial-based program. For a gender-based program it is subject to intermediate scrutiny which is a little less stringent compared to race based program, but more than our programs scrutiny for the SBE Program. I made sure that I put that in the context of defending your program if we were ever subject to challenge, so there is some risk in regards to what policies you may want to choose and I want to make sure we explain that today. Again, the current policy has firms headquartered here in the Charlotte CSA. If we are challenged with a Federal claim under the U.S. Constitution, it is my legal opinion that we are able to withstand that and that is again based on the Disparity Study what the emphasis of the Study Report was to find a thresh of 80% or more indicated parity; anything that is below 80% indicated a disparity which would allow the Council to look at remedying those discriminatory effects. We also looked at the 80% threshold in regards to spending which is where we came up with the 13 counties. In that regard, what we have done again in the report is applied the 80% threshold for disparity across our spending and across the individual from a racial and gender perspective to determine who was actually affected, who was not affected and who has the ability to have that discrimination remedied by the Council. Again under the current policy, if there was a Federal claim, it is my belief that we could withstand a challenge because of the way the program is currently constructed we can show why we have narrowly tailored the racial component to address past discrimination and in regards to the gender component how we are able to show that this is a particular area that we are looking for in regards to a governmental interest and trying to remedy that discrimination. Again, I emphasize the writing may be a little small, but at the bottom in the bulleted points, indicates the actual courts language as to what is the standard for racial scrutiny, strict scrutiny for a racial program as well as intermediate scrutiny for a gender-based program. That is therefore also for your consideration as well.

In regards to a claim from a State law challenge, this will be where an individual is asserting a claim that again the City's program may be preempted by the State law provisions that indicate the North Carolina HUB Office has the ability to then authorize individuals to be minority or women-owned businesses within the State. It is again my legal opinion that though the North Carolina Statutes indicate that they have the ultimate authority at the HUB Office because of the Federal law, we believe that our program meets the Federal law requirements and if we are challenged under a State law context, we would have a defense that Federal law requires us to only narrowly tailor to the 13 counties that we are spending at least 80% of our money in that regard. That is why again, even if we had a State law challenge that HUB allows them to certify, we can't narrow our certification to just those 13 counties that we can say as a defense, no Federal law requires us to narrow it to just those

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 5

counties. This is why again under our current approach; it is my belief that we can defend this if we were challenged in court at a Federal or State claim.

In regards to alternative approach A, it is emphasized as being unsure and that is more or less a coin toss. It depends on the aspects of how the program is structured, how the program is implemented and some of the actual effects thereof. Again, as Nancy alluded to earlier, in regards to the significant business presence definition being changed to being an office, there are other aspects that we would need to probably look at or consider. I can't really say with certainty at this time whether it would withstand or a court could determine that we are in violation of Federal law because it would be determined upon the actual policy that is implemented by Council as to whether or not it could withstand or would actually be subject to being overturned. That is why I left it as 50/50. Again in regards to State law claim, again more than likely as I alluded to earlier, if we are challenged based on the State Statutes indicating HUB has the authority, our number one defense would be that Federal law requires us to be only worried about the 13 counties where we have documented discrimination in that regard.

Alternative Approach B, this is where I actually have the greatest concern in regards to expanding the program outside of the 13 counties. It is my legal opinion that this program cannot expand outside of the 13 counties because our own Disparity Study indicated this is the relative market for purposes of remedying our discrimination. If we went with alternative approach B, you are opening up to any contractor in any part of the State so the issue becomes how does someone who is based or has an office in Asheville have discrimination with regards to the Charlotte market. How does someone who is in Morehead City have discrimination in the Charlotte market? It becomes harder, at least in my opinion, for the City Attorney's Office to defend your policy if we are having to justify why does someone in Asheville, Morehead City or Cumberland County have discrimination in the Charlotte market but they do not have a business presence because we are saying if they are within the State, they are discriminating in regards to the program. Again, I also want to emphasize that in the past when the City of Charlotte was challenged, we were challenged by a local minority firm that indicated that our Disparity Study was outdated and could not be the basis for our MWSBE Program in the past. This is not a program that is going to be subject to one particular gender or one particular race that could challenge it, it is can be challenged by anyone and the court is looking on the City to justify why its program is narrowly tailored or within a particular governmental interest. We have that burden to show to the court the moment that someone brings us that lawsuit, it is incumbent upon us to show the court how we have narrowly tailored the actual program to remedy that discrimination and anything more than that the court has the ability to overturn the program and rule what we are doing is unconstitutional or improper.

Barnes: Ok. Any questions?

Rosado: This next slide really is bringing back information that was shared at the last meeting. Again just to kind of recap, looking at direct prime spending, who the City paid direct dollars to on City-funded contracts and so you see here that the total MWSBE spend for the first six months of our current fiscal year FY15 were \$12.7 million. The City paid \$12.7 million directly to certified minority, women, Small Business Enterprises and the ask from the Committee at the last meeting was to break that down further and really show how much of that money went to African-Americans, Hispanic, Native Americans so we broke it out in a variety of forms for you. The first one that you are looking at

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 6

is that \$12.7 million broken out by race, gender, ethnicity and it also indicates the number of MWSBE firms that actually received the payment. In this first chart, you will see that of the \$12.7 million, African-Americans received \$1.75 million and there were 26 total firms that received payments of that \$1.75 million. The same thing for Hispanic, there were \$236,000 total payments and again this is direct spend, not subcontracting dollars, this is just looking at the direct payments. There were five firms that were paid. For Asian, there were a total of \$231,000 with four firms; Native American had \$111,000 with four firms, non-minority females received \$4.5 million approximately and there were a total of 55 firms. Non-minority male-owned firms received \$5.9 million and there were 51 firms.

Barnes: So break that down, what are the non-minority men?

Rosado: White men and non-minority females or Caucasian women; anyone who is a woman. If a firm is owned by an African-American woman, they would go into the MBE category so they would be classified; that has been classified under the African-American designation.

Barnes: So the non-minority males would fit under the SBE?

Rosado: Yes, that is correct. This is looking at MWSBE. Also we have to break it down in this way because there are SBE firms that are owned by African-Americans and so we wouldn't want to double count those dollars twice so this represents those dollars broken out by race, gender and ethnicity.

Fallon: Does that tell you that you are not reaching those other groups as much as you are reaching these two? That the outreach doesn't get there or is it because you don't have them applying for it because they are not entrepreneurs? Also are these shadow companies using somebody as a front?

Rosado: All these companies have been vetted so if they are an MWSBE certified company, our office has vetted the SBE certification; the City of Charlotte issues that certification so we've confirmed that they meet the eligibility criteria which it doesn't look at race or gender for SBE certification. It is really do they meet the City's definition of small so we look at personal net worth, the geographic area of course. We look at the revenues generated by the business, for example to get certified as an SBE, we use that SBA size standard for their industry and it can't exceed a quarter of the SBA size standard so it is relatively small.

Lyles: This has been a problem for me because I haven't focused well so if you can help remember a few things. Define discretionary spend for me please.

Rosado: Discretionary spend is where the City had a choice so it pulls out all payments to other governmental entities and it pulls out payments for utilities; where there wasn't a choice. We only have one provider that can provide us our heating so those payments are discretionary. There isn't a choice.

Lyles: Is that when we use the State contracts, do you pull that out of discretionary spend? Often times on our agendas it will say this could be done through the State contract which we don't use an SBE. Is that amount included in that or not?

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 7

Rosado: It does not include anything that is like soul source contracts so those wouldn't be included; anything that is an office day contract, I would have to double check.

Lyles: I don't even know how much that is, if it's relevant or not but I just wondered about that because when you start using that as one option when the State, because we are in the same business, that could really have an impact.

Rosado: You are talking about piggy back contracts.

Lyles: I don't know if that is the word for it or not, but piggy back works for me.

Rosado: I just want to make sure because we will go back and look.

Lyles: I'm talking about often on our agendas it will say this is available under a contract from the State; is it in there. The other question that I had is on the SBE portion and the geographic eligibility. Help me remember and I do remember the Disparity Study but I don't know does the Council actually set any race based or gender based goals being specific based upon the Disparity Study?

Rosado: The Disparity Study doesn't look at Small Business Enterprise.

Lyles: I understand that. Does the Council set any goals race or gender based, based on the Disparity Study?

Rosado: Yes, for subcontracting so those are those projects specific subcontracting goals that we set.

Lyles: In all areas?

Powers: Only those areas that have disparity.

Lyles: And those are?

Rosado: For example, on a construction contractor; when we set a subcontracting goal and we establish an MBE goal there was disparity identified only for three groups so only African-American, Hispanic and Native American owned MBE certified firms can count towards meeting that goal so it's being narrowly tailored.

Lyles: I understand that so I just want to make sure that I'm remembering correctly. When we talk about the geographic eligibility considerations, are the criteria and the statements of qualification under your charts, are the applicable only to the areas where we have race and gender or are they applicable to all SBE's as well as those areas where we don't have race and gender?

Rosado: Which chart?

Lyles: I'm talking about the chart under MWSBE geographic eligibility considerations.

Rosado: For this chart, this is just how the City defines the geographic area.

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 8

Lyles: I understand that.

Rosado: I'm sorry I might not understand.

Lyles: I'm asking about the comments underneath of a tailored for race and gender or are they tailored for SBE's?

Rosado: When we are talking about the alternative approaches A and alternative approach B, for example, alternative approach B is solely for MWBE's because the City defines SBE. We have special State legislation that allows the City to define small business in a manner that we see fit. However, when it comes to the MWBE that's where we are tied to the State Statues and that is why for example, we can only accept those certifications issued by the NC HUB Office. There are other certifying entities that certify businesses and we don't acknowledge those certifications or accept those certifications towards meeting our subcontractor goal.

Lyles: I think I'm going to say this back to you and see if I can say it correctly. When we look at your comments under whether or not we have current alternative A or B, those comments are only applicable to African-Americans, Native Americans and one other category for subcontracting for construction.

Powers: Let me say this in regards to the whole MWBE component of your CBI Program. In an instance, what we are saying is that the issues here are for the MWBE Program as a whole. Based on those bigger program issues, we can then apply goals but those that have disparity based on that. It is not necessarily we are taking this and applying only to African-Americans in this particular context, it is for the minority and women program. This is what we are applying for the 13 counties and then based on that, we can then apply the actual goals to ensure that disparity is remedied.

Lyles: Does it separate the two issues?

Powers: Yes, and to answer your question yes, those are two separate issues in the sense of this is about the broader policy that you are implementing; the goals are separate in the sense of trying to remedy what the broader policy is trying to accomplish.

Lyles: I probably don't understand as well. If we were to make a decision to go with alternative approach A, would that apply to only minority businesses and women owned businesses for tracking to develop whether or not when we do our next disparity study that we would qualify under the requirements that the law says?

Rosado: It would apply to whatever this Council wanted it to be. It would be MWBE's that are in our geographic area and have a presence regardless of all race, gender ethnicity and you could break it out. Right now, the City has special State legislation to do the SBE portion. You could do a two track program where you say we want the SBE geographic area to be 13 counties headquarters and then you could say that the MWBE where we apply goals to that that we want to open that up so there are a lot of different ways that you could structure the policy.

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 9

Barnes: If we were to do that though and open up that second track to MWBE's in general, wouldn't that lead us to not likely to pass legal muster category?

Power: No.

Lyles: You just said yes.

Powers: No, let me explain; let me get the question and I can give you a great scenario for what you are trying to say.

Barnes: Please.

Powers: The SBE Program let's just take that off the table. Under the law, you have rational basis for deciding how you wish to structure it, you have State legislation in that regard so if we were sued, rational basis we are given difference in regards to defending our program; the burden is on the party suing us to show how we are wrong. Let's take that off the table. In regards to the MBE Program, which is really the main thrust of your question. If we are having an MBE Program and we are going to move to alternative approach A and we are going to now say the significant business presence is as long as you have an office that you receive mail in the 13 counties you are now part of the actual pool of available contractors that we can actually now utilize. We can do that; that doesn't move us to the unlikely category, it just gives to the issue of we need to go through policy mechanisms to ensure that it is more defensible if we are sued. That is why say it is questionable because it depends on what kind of policy helps to narrow the aspect, help to make it clearer and concise in regards to what is now considered to be an office inside the 13 counties. To your ultimate question which is if we move to alternative approach A; let's say you adopted this today, Council approved it at this very moment, we implement it tomorrow. If over the course of the next two years, there was significant improvements in regards to subcontracting to minority businesses and particularly African-Americans that you alluded to earlier, and that at the time of the next disparity study, which is tentative in 2017, we automatically got to 80% parity at that point African-Americans in this regard would then be removed from the disparity going forward because they were at 80% or higher and they would then not be eligible to receive any kind of subcontracting goals if there was actually progress towards that based on this change. I hope I have brought everything back together as one.

Lyles: That is very helpful for me because I think sometimes when I look at these numbers, so we go over and we are 10% of what we try to talk about when we are doing SBE's, when you look at that 10%, 75% of it is with SBE's and we are not getting anywhere close to the parity for African-Americans or Hispanic if you segregate it. I don't know how we ever get to a place that we actually talk about we've actually moved the ball when the numbers are just not tracking in that direction and they are not helpful. I'm also not sure how we align that with our idea of being a regional hub for a business to relocate in so that when we have people in Mecklenburg County, I use an example of someone that is outside and they are not in York, Chester or Lancaster County but you say that they are in another county in South Carolina, but they are buying and all of their vending is done primarily because Charlotte is the place that they have to get all of their supplies and equipment. We are not actually able to give those folks any opportunity to participate and count them in this work, but yet we are getting the benefit of their growth and the regional growth. It is more like the regional partnership map and argument for me in terms of how we deal with this. I don't see us in any way

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 10

expanding our areas of disparity with the kind of records that we have now and where we are now. I just see the program as never getting to that place that we could get to 80% based on what we have and what is in place now for African-Americans, Hispanics, Asians and Native Americans. We will continue to be an SBE Program without doing something different. I don't know what the different is, maybe geography is just one of them but right now we are not getting it.

Rosado: Let me just verify that the chart here that we were looking at which talked about the \$12.7 that was only for those that we track certified but we also track and report in our mid-year report firms either payments that were made to MWBE's that have self-identified themselves that way which means that they haven't been vetted. When they registered in our system as a vendor they said yes, I'm an African-American owned company and those payments total \$24 million and we have to do that for the first six months. We have to track both because when we get the disparity study consultant to come back in, they want to see all of that data. They are not just looking at the certified vendors, they are also looking at those vendors that have self-identified themselves that way, and that was \$24 million.

Barnes: Where is that reflected?

Rosado: We will e-mail you the mid-year report; it is published. We sent it out in Council-Manager Memo.

Barnes: So you are saying that we see the \$12.7 million that MWSBE spending on slide six but it is really \$24 million that is African-American businesses?

Rosado: No, the \$12.7 million is certified MWSBE which means in our local area and then we've also tracked and reported on \$24 million of total spending of MWBE's; those firms that when they registered in our vendor system indicated I am an African-American, but they are not certified.

Barnes: Are they a part of the \$226 million?

Rosado: Yes, they are in there. That \$24 million is a part of the \$226 million.

Barnes: Another question now that the lawyer part comes out of me; what do we do to verify that they are not just simply saying I'm an MWBE?

Rosado: That is why we report to you on the certified because you've asked us to report on those that have been vetted and that is why we are always encouraging our companies to get certified with the N.C. State Office, but they may or may not choose to for whatever the reason.

Barnes: So the answer to my question is you don't do anything?

Rosado: No, we can't because there is no way for us to vet it.

Powers: They have to register with us and that is the key component.

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 11

Barnes: A few years ago, the Council passed a policy which specifically targeted businesses of color, African-Americans, Hispanic, Asian and Native American. I thought in taking the legal risk, we were trying to make sure that those entities were able to participate in the \$226 million and other money that the City spent and certainly that discretionary spending to give them an opportunity at the business, right? Have you been able to track that in any meaningful way, is it just a part of the \$12.7 million or is it the \$24 million? And by the way, the \$24 million it is \$24 million to the uncertified crowd plus the \$12.7 million to the certified.

Rosado: The \$24 million includes those firms that are certified; it includes both because the \$24 million is firms that have identified themselves as African-Americans who may or may not be certified.

Barnes: So it is \$24 million plus \$12.7 million?

Rosado: No, it is a total of \$24 million.

Barnes: So it is really \$11 million for MWBE's that have not certified?

Rosado: That is right.

Barnes: That helps; I thought you were saying it was \$24 million plus the \$12 million.

Rosado: No.

Fallon: And you don't vet them because they are not certified?

Rosado: The certification is just the vetting process; it is to confirm that they are owned and operated by whom they say they are. In order to do business with the City, you do not have to get certified. We will award contracts to people that aren't certified so the certification is a tracking process for us, it helps us say to you Councilmembers yes, these firms are owned and operated by who they say they are. We can't force them to do it.

Fallon: But we give money to ones that are not certified?

Rosado: We award contracts to all kinds of vendors, but they have to follow the vendor procurement process.

Barnes: I want you to skip ahead to slide eight because we need to roll this along. Talk to us about that slide.

Rosado: This is the construction subcontractor information so with every construction project, the City tracks payments that are reported by the prime that they have made to the subcontractors working on their projects so this is just information for the first six months of FY15. These were the payments that construction prime subcontractors have paid and reported on paying to departments, particularly our Engineering & Property Management, Charlotte Water, Airport our main construction departments.

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 12

Barnes: As an example that means that the general contractors spent \$510,000 with three Native American firms?

Rosado: That is right; on current active projects for the first six months, those were just payments that they made. Here you just see a breakdown of where our construction subcontractors spent for the first six months a total of \$16.6 million and 21 African-American firms received \$1.9 million in payments and on and on for each one of these. The largest amount of spend went to non-minority females with \$10 million. Do you want me to continue on?

Barnes: Yes.

Rosado: This last part really just talks about the subcontracting goal compliance so at every Council meeting, you are looking at construction projects that are up for recommendation for your award and approval so the question was how many projects had been awarded through Good Faith Efforts and you will see here that the total number of construction projects that Council has approved for this current fiscal year were 46 and they totaled \$86.5 million. Of those 46 projects, three projects were awarded through Good Faith Efforts, which means they didn't meet the goal at the time of bid and they were awarded through Good Faith Efforts. They documented to us that they went through the process of reaching out and trying to obtain and meet those goals. And of those 46, two of the projects we had bids that were rejected due to CBI noncompliance and the question was how much more did those projects cost the City because we rejected for CBI noncompliance and moved to the second low bidder. Here you see that the cost difference was \$46,000.

Barnes: I will ask my colleagues how they feel but it seems there are still some outstanding issues. I know this has been going on for years, issues that we are trying to figure out in terms of how best to do business with a broad array of businesses and give people an opportunity to do business with the City. It seems there are still some questions as Ms. Lyles alluded to and things that Ms. Fallon was thinking about so it seems to me Deputy Manager that we should probably revisit this topic at an upcoming meeting and you are going to say what do you want to know. I think what we are trying to, and you guys tell me if you agree, but I think part of what we are trying to determine is if there are any other things we could or should do, either expanding the 13 county CSA or going on separate tracks in order to do business more consistent with what the full Council approved a short while ago. If there are some strategies that we can employ to give local businesses greater opportunities that is what to hear and we will take that back to the full Council and say guys here are some strategies. I would note that out of 885 MWSBE's, 691 of them are in Mecklenburg County, which is great. I also remember that the bulk of the money is being spent in Mecklenburg County and we just want to make sure that people who want a chance of doing business with us have a chance and if they are in Charlotte, that is even better since it is Charlotte's money that is being spent.

Harrington: One of the understandings or at least the piece that I thought I heard the Committee say was perhaps some clarity around what progress are we making in terms of achieving and remedying the three areas that were identified in the Disparity Study. Maybe we can rethink that a little bit and come back and provide a little more help in that area.

Barnes: Can I put one thing to you? I've talked about this for a little while now and you've done some work on it but is there any more work to be done on the apprenticeship program piece? There are a

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 13

lot of really big capable resource filled companies that would be happy to participate in an apprenticeship type program if we asked them to, not meet requirements perfect sometimes but just asking because they may not know that there is an opportunity to do that kind of thing. A lot of people, especially in skilled industries like to teach other people how to do what they do and would be happy to be a part of that. Could you bring back some thoughts on working on that? In fact, I will give you the part of at least one potential strategy is to go through the list of firms that have received the most contracts and see if we could ask them to be an active part of an apprenticeship program and figure out some way to incentivize it perhaps.

Kimble: We will do that and bring back some additional thoughts for comments or perspectives.

Barnes: If they tell you they can't do it, cost too much and don't want to do it, let us know that too and let's see if there are some things to tweak our program to incentivize it or encourage it.

Lyles: I think the Chair has really hit upon something because I don't see us getting out. There is the legal part of it that is set up by the courts and that is all good, but our intentionality about what we are doing is really much more important to me and studies have shown that if you can award contracts to businesses of color, they more likely hire people of color, they actually put more money back into neighborhoods where people of color live so there is all of this benefit and I'm just not quite sure what strategies can be in place so the apprenticeship idea is one. I think what we ought to be doing along with our CATS development, even with our highway construction and I even sent a note to Mobility Partners about this, but there ought to be some strategies that actually look at what is our intent to do this work and not just the legal part of it because I don't think legally I see the progress. We are just tracking numbers to get another disparity study through and that is not sufficient to share the wealth that is going on in this community appropriately in my opinion. I want to see those strategies but I'm looking and wondering how we get programs that actually encourage people that have not participated in the economic market place to be trained and given the opportunity to do so and that is what I would like to see.

Fallon: There has to be a way, an outreach to minority groups and businesses that go to minorities and I'm talking about the African-American, the Hispanic and the Native American, a way from either the minority white because we are not reaching them. If it be disparity between how much money is being handed out or to whom it is handed out is very great; that means it's not reaching who we want it to. There has got to be a way to reach them and I don't know if it is through the schools or if it is through organizations that are in the community, but we do have to do some more outreach because it can't be concentrated where it is. It has got to be spread out better; it is just too one-sided.

Autry: To kind of dovetail into what Ms. Lyles spoke of when we have minority businesses that are not awarded a contract or two contracts or three contracts, could that mentorship, apprenticeship also deal with how do we foster those businesses to where they are more capable of winning more of those contracts? I think that should also be part of that piece of it also.

Barnes: Yes.

Lyles: What happened to Mentor Protégé?

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 14

Barnes: Do you know where Mentor Protégé is currently?

Rosado: Yes, that is actually kicking off with the Joint Communication Center Project and so it just hasn't broken ground yet.

Cronin: Regarding the apprenticeship programs, we are currently working with CPEC and Charlotte Works to actually put together an overall apprenticeship strategy which would include preapprenticeships, it will include homeless veterans and it will include recently adjudicated individuals looking at every sort of the spectrum and where people can actually enter into that apprenticeship because we've had a number of programs now so the goal is to provide the roadmaps so Council will be able on Monday night if somebody comes and says where are these apprenticeship programs, we will be able to direct them to the appropriate portal to get them in the system.

Fallon: I think the Federal government just appropriated a whole bunch of money for the Veterans to make sure they're getting work.

Barnes: Anything else from Mr. Powers or Ms. Rosado?

Phipps: Has there ever been any MWSBE firms in Chester and Lancaster County?

Rosado: Not that are currently certified and those two counties were recently added with the adoption of the 2011 Disparity Study.

Phipps: So not since 2011?

Rosado: No.

II. Eastland Mall Redevelopment Update

Barnes: The next item is an update on the Eastland Mall Redevelopment Strategy and Plan execution. Mr. Kimble, I'll hand it to you.

Kimble: This is both an update; we're going to hit the process real quickly because we are going to get into concepts and how we've been working through those and making sure that we check in with you. This is probably our third stop in the last eight or nine months and there will probably be another stop because we want to constantly keep you informed and let you ask questions and give us direction.

Barnes: And we appreciate that and by the way, the East Charlotte leaders, one of the things that I've heard people talk about and Mr. Autry is aware of this as well; people are wondering in part why it is taking so long, why can't something happen and one of the things that I've been impressing upon our staff and my Council colleagues is that we want to be intentional about what we do there so that we don't have to do it again. We are trying to avoid putting ourselves in a position where we spend \$13 million to acquire the site and spend tens of million more helping a redevelopment to occur, only to find ourselves needing to redo that work in ten years or five years. So I appreciate your patience,

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 15

Mr. Autry, I certainly appreciate your patience as a representative of the area as we try to work through this. Obviously we know we've kind of started and stopped and now we are trying to get started again so thank you guys for being patient and also continuing to be a part of it too.

Mumford: That was a great Segway, thank you for that Mr. Chairman; I don't have to say that part. I will tell you the quantitative part of your meeting is over and now we are to the qualitative part. Your point is extremely well taken about the intentionality and the long-term notion of this project. This is not like any other project the City has managed before and typically we will have a specific goal in mind for activity or we have a property that we sell and the developer just takes care of it. It is a bit of a hybrid; we own the property as you know, we are managing through the development and at some point we will be out of that. We are getting closer to figuring out exactly which point that is. What I want to do, as Mr. Kimble said, spend just a few minutes here framing where we are because I think it is important to remember the first thing we didn't show you was a fully delineated master plan of this site. It takes a lot of work to figure out what that ultimate site plan looks like. We are going to show you a concept of a site plan, not just a master plan and we have gotten to that point from feedback from all the people that you mentioned Mr. Barnes, as well as anybody else that calls us and says I had an idea about what you can do with Eastland, and trust me we get quite a few of those phone calls. While this is much more complicated maybe than some people give it credit for when they give us these ideas, we are including everything that we have received. The challenge with that is that often times there are competing goals associated with different ideas. So I want to impress upon the Committee that what Ed McKinney will present may not meet 100% of your personal goal for the site. I hope that you will see that it does address that notion somewhere in there. We are having to combine the next and ultimately right on point what you said earlier, Mr. Chairman, this has to work and so there are market constraints, financial constraints, physical constraints, all of those things as well.

I do want to run through very quickly here back to the five principles that Charlotte East had developed years ago and I do appreciate your interest and participation in this all along the way. What we are doing is enhancing each of these with some more aspects that we've been developing so the first one, enhancing the perceptions of the Eastland area and east Charlotte. It starts with creating a sense of place and I think that is the primary goal here, to revitalize what used to be such a known center of activity and how do we bring that back. Clearly, the transit component and the streetcar component is a big player in that; we hadn't shown that in the past. It's not because we were ignoring that, this is just the right time to bring that forward. Also looking at property values; we want to make sure that property values on the site and in proximity are positively affected which means that we want this to catalyze redevelopment around the area, not just centered on this site.

We want to make sure that we have an opportunity to unify local communities, so back to this sense of place and bringing some energy to this site. I am really excited about what Ed is going to roll out; I think it is a well done plan. I tip my hat to my colleague, Mr. McKinney for this, however it was not just derived because the three of us set in a room in drew something, it really put into the play the information we have received today. I think we have an opportunity to create something really unique here and I hope that you can see that in the way we present it.

Connectivity is important; connectivity can be physical connectivity and that is also connectivity of neighbors and community and we feel this space the way it is proposed to design can do that, starting

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 16

with, as I mentioned before, the streetcar. You will see and I do hope the streetcar can come into the site, activate that. The nice thing about the design is the design works while we are waiting on the streetcar to get out there. It is not predicated on that but it is certainly enhanced and improved by that aspect. We want to take advantage of natural features so we will have, as you all know, a storm water detention pond. We don't just want a pond in the middle of a parking lot, it can be a feature. We've talked about green space before, those natural features you will see how we've really developed the design concept that you saw before and the last piece is back to something I mentioned before, this civic development so the school that we've discussed before, the open space, the transit, all of that together can enliven this 80 acres.

This is what we had presented before; the idea was not to show detail. I think I actually had the caveat before putting this up that this would be in the news and this would be seen as a plan. Thank you media, that actually didn't happen but it will probably happen this time. So what you see here is this idea of green space and we had reasons why the green was along Central Avenue and Ed will articulate that much better than I. Green space going up back toward the school was this idea of connecting to the school, not sure exactly how and also giving opportunity for more edges to green space for development and there was commercial development over there by the corner at Sharon Amity and then this idea of private development in the middle. What you will see is we have refined this, but the concept here was to get the approval from the Committee on uses and adjacencies and we received the feedback that yes green space is good. I'm not sure that is enough green space but green space is good, yes the school is seen a positive amenity so we've taken the basic concept here and refined that and I will hand it over to Ed.

McKinney: As a reminder, here is the site and this is relatively a recent aerial so you can see the demolition, you get the ghost of the footprint of the mall; here is the Transit Center, a couple landmarks against Central Avenue, Reddman Road and again the center of the 80 acres, the mall site. What I'm going to show you is an illustration of taking the goals that Pat just described and giving them some flesh. We are taking the diagram, taking the goals we've been talking about, put some flesh on it so we can get a sense of what the character and look and feel and what the future of this site could actually look and feel like. It's just one version; there is lots of moving parts to that, it is based on some things that are a little bit more in focus for us now given the conversations that we've had with the school and given the conversations we had with the County about parks so it has begun to put some of those things in more detail and then play out given those potential initial moves, what would be set in motion in terms of the future for this site. Again it is just a first take on that.

I'm going to layer this kind of slowly and walk through some of the key components of that and then put it all back together for you in a moment. Black and white, kind of the initial concept, I want to you to get a sense of the relationship to the context and then I want to strip away everything and just talk about the basic components of the plan.

Lyles: What was that first?

McKinney: All I did was a little bit of a visual game for you so you could sort of see the transition of how this graphic that I just put on fits within the context of the surrounding parcels in the aerials. Don't pay too much attention; I just wanted you to see the transition of this kind of diagram. Again for the landmarks, there is Central, the Transit Center; this is the existing Fire Station, the neighborhoods

on the other side. I want to walk through the components so go through a series of x-rays and just walk through the basic components of the plan so you can understand how it is constructed. The variation I want to put on the table and it starts with this conversation about the open space is in addition to the goals that we just described, the design intent here is really about taking what was an internally focused site for the last 40 plus year and turning it inside out and that means economically, that means from a community design perspective, that means from a connectivity perspective so every move that you are going to see, the things that we are going to describe is based on that notion of making sure that it was achieving the goals and really turning this site inside out to create value internally and create value externally, both economic and community. You see that played in this notion of the open space so what we've done is think through what is a system so you see a green concept that kind of runs through the overall site in a variety of ways. We've already talked a little bit about this main feature sort of a central park and open space that would run along Central Avenue, kind of anchored on that corner of the site, the low portion of the site that we have been talking about in terms of where the storm water retention facility makes the most sense so that becomes kind of an anchor to the park system along this central space. It could, as we showed in that diagram before, connect in a variety of ways. In this case, we have small linear green that would connect up to that school location. You see another larger green space, the school sits within that context married to the facilities that they have and kind of expanded and outwardly looking and connected to this open space system so it would feel like essentially the school within the park within an open space system for the overall site. Continuing the notion maybe of a green linear park that runs along this edge, becoming kind of a buffer and a seam to the residential that exists, deals with some grade and topography that sits back in that part of the site and becomes a way to kind of link the system all the way through the site and around and then connect back and maybe a more urban plaza, a smaller public open space that would connect so you see a system that has got big spaces, it has got small spaces, it has got functional things like storm water that fits within the context of community facilities like the school. It's not designed and it is intentionally not designed to be one singular big space, it create lots of edges, lots of addresses, lots of frontages both internally to the site and to adjacent development adjacent neighborhoods so the intent was to use that as best we could to maximize value internally and externally.

Another x-ray, so what does that mean from a development standpoint and what this shows is how we could begin to weave development within that context of this open space system. You see a series of development blocks sort of internal to the site or into the longest, again this main central green space along Central Avenue, kind of a series of blocks in this case sort of intensity, this mixed-use intensity that would be around that central green space along Central setting up future redevelopment on the other side of Central so there is sort of a marriage there of how all that development would front along Central Avenue and that future open space. Then potentially just conceptually think about how that might transition so a mix of housing opportunities, a mix of diversity and intensity and housing choice that could be integrated in a variety of ways within the project. It certainly would include lots of opportunities for more intense, higher scale, mixed-use, retail, office, commercial depending upon where we find the opportunities for market development and integrate it and taking advantage of the ability to add that address on the park and the connectivity to Central Avenue and the greater context.

The structure of this is important so the street network, this is sort of an x-ray of just the blocks and you see the development blocks, you see some of these park blocks so that internal connectivity is

certainly important. The other thing I want to make sure we highlight here is these kind of dash lines so we thought about how the orientation and structure of the site would work internally, but we also made sure that was thought of in a way that would maximize opportunities to connect to adjacent sites. Key sites back here along Wilora Lake that we think our intentional opportunities for other investment off the site that could really take advantage of the public investment we are making here and another one off of this edge and certainly the development along Central itself so it is important to make sure that structure made sense for the internal development of the plan and also really maximize the ability to bring in other sites and connect them in a way that was extending the address of the investment that we are going to make.

The future of transit here is significant and very important for the long-term development of the site and the notion here is not simply to bring transit but to really truly integrate transit into the development concept so what you see here is an idea that extends in using that block structure and the development opportunities we just talked, it extends the streetcar loop that would come along Central, turn into the site and be completely integrated into kind of development blocks that we see in the future and then circle back out onto Central. There is the Transit Center that exists today so that functionality still works. This is one option; there are lots of different ways that could work. The notion that Pat set up is that the plan and the kind of framework that we put in place gives us all sorts of options to look at in the future and we've got a framework for how that would work. We thought through the importance of making sure that we truly maximize the ability of development both on this side of Central and certainly within the site itself to really directly connect to that transit investment and truly take advantage of that future access and connectivity.

This is all of it put back together so that is all those layers kind of stacked on top of each other; you can see the sketch again. This is simply an illustration of those ideas, the location, the design, the orientation of those parks are all things that needs lots more thought and thinking both within the community, certainly with the County and how does it relate to the development. There are lots of moving parts there, but what we want to do is set the stage for some first moves, things like the storm water facility, things like beginning to discuss in more detail with the school about how that site should lay out and how it might relate to the parks and open space. You get a quick sense really a real broad over a magnitude of the uses in terms of how open space, how much development is there, how much Right-of-Way so you get a real quick sense but again that is just a starting point for us to begin to think about how we are going to arrange the development.

That is the diagram that is the plan, it gives you a sense of how these things layer together but it doesn't quite truly give you a sense of what this could feel and look like. I want to focus just for a minute on this central space, the development opportunities that we see, what that open space could look like and how development could really relate to it and just give you some examples and images of what that could feel like. Here is a park essentially the exact same scale of those blocks that you see on the plan and this is actually in Portland and what you see here is a block the same scale. This is actually an urban storm water restoration project so you just incorporate it with water and natural features, it kind of integrates sort of the unique topography, but then you can see what the streets are around this are and blocks much like the diagram that we had on the plan with development that could orient to it. The scale, depending upon the market and depending upon the timing of development, but it give you a sense of how that park could work and orient to development and the notion that and another thing we want to talk about here is this notion of just not accommodating the

storm water, but thinking about this site and its future development within a large strategy about sustainability so everything we do could be done in a way that treats the storm water in a way that is uniquely sustainable and I will show you some examples of that and here is a good urban example of how that relates to the natural environment but also gives you some really unique urban design, civic park design opportunities, things that really allow the community to engage in this site in a very unique way. There are a tremendous number of interesting things we can do with that design that could be incredibly unique. Another example of the larger storm water facility, a larger pond and then the opportunities for people to engage in it so there are hard edges, there are paths, that are places to sit, there are all sorts of opportunities to truly kind of marry the kind of urban part of this with the natural part of it into functionalities from the sustainability standpoint.

It's also multi-functional so we've got large green that kind of series of blocks, could be a great platform for festivals using the streets themselves and the parks together so you might close off a block or two or three or four and create large festivals that could integrate the streets, the parks and the development in a way that allows all sorts of community gathering and functioning to occur, again unique paths and things that can worked into sort of a natural landscape. This notion of sustainability and design would extend and connect not just in this park, but would extend through those development blocks that we just talked about so the design of the streets themselves could be done with a green street notion, the notion that the water that comes from those doesn't go and get piped into a system, it actually works into these small retention areas and design complete integrated into the street and to the urban development. Some great examples, that is a green street example a townhome development that becomes almost like the front yard of urban housing but it is still has that functionality from a sustainability standpoint so incredibly unique things that we could do. Certainly then the scale and some examples of the same size blocks and the notion that you have four, five, six story kind of development that would front along that intensity that would take advantage of a transit, streetcar, development and park all integrated together.

Last but not least obviously the notion that we have a unique opportunity to truly integrate the streetcar into the fabric of this, the park, the street, the development. Do it right this time and it really set the stage for how it could fit into the future and create the framework for truly making this transit-oriented. I'll stop there. This is kind of putting those layers back together; I'll put the aerial back up to give you a little bit of context. I think Pat will talk about next steps, again the notion that this is a starting point. It's taking some things and putting them a little bit more in focus like the school and the park, but there is still a lot more to do a lot more detail in some of these first steps.

Mumford: The most important next step would be to receive feedback, your thoughts and response.

Barnes: I will start and tell you that I think this is a great next step from where we were a couple of months ago. We asked you guys for more definition, more intentionality for more detailed and I think you've done a good job of responding to that. As I said before, I'm really happy with our counterparts from the County who are here which means that you are not only physically engaged but perhaps financially and otherwise engaged to help them to address the concerns and challenges in that part of the City. Thank you guys for showing up.

Fallon: Can we see a plan for the school?

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 20

Barnes: CMS is not here right, but I believe you all have made a great deal of progress in talking with CMS. Is that correct? Could you talk about that briefly?

Mumford: Sure, we started with an idea of a school up in that top quadrant, just took a plan from another school that was recently designed and now we are into the conversation of exactly how much square footage, how much acreage would they need for the school. There are still very interested in this site.

Fallon: What grades would they have?

Mumford: This is a K-8 magnet school, language emergent magnet school. We continue to work with them on how that will operate exactly and what the student population would look like, but that is generally, certainly a K-8 and the magnet component would be at that school. We've also talked to CMS about the use of the facility after hours for community meetings and things of that nature. Where we are is getting to those details and at some point a contract to sell land.

Barnes: One question here Mr. Mumford, I think we talked about this the last time, but just to make sure. Was the thinking on CMS' part and our part that the students that might go here to the school would live on the site near the site or is it just a broad, like most magnets just open to anybody?

Mumford: It is the former. As I understand it the magnet component really will accommodate a lot of people in this geography for a neighborhood school and some component of the school would be a traditional neighborhood school zone so it is really; the reason the school system needs this facility is because the school just up the road is beyond capacity.

Fallon: Good plan and I'd like to see the implementation. Is it possible to change that streetcar into some kind of light rail where it could go beyond there?

Mumford: No mame and this is the terminus of the existing streetcar so it is really an extension of that mode and those two don't. The answer to the question is no.

Lyles: I just think we keep moving forward and continue refining it over and over. I think the progress on the school is really good if that is something that will anchor a site. People want to live by good schools and if we can create that kind of reputation and a facility then that is going to be good for the entire community. While we deal with the 80 acres the redevelopment and the impact of these positive changes for the remaining edges across the street, but I would expect that extends way beyond across the street and eventually I hope will connect to the area where we can get to Albemarle Road and really begin to make some differences there. I say keep going and I really don't see the difference between plans that you brought except further refinement each time so I think you've gotten a go to keep working on it. I really like the urban design that deals with water and changing the way that we look at building our streets and how we drain; I think that will be another plus to this. It's an opportunity to try some other green things that perhaps we haven't so keep trying, love the circulation and usually my biggest thing is how people are going to get around; I love the grids. Thank you.

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 21

Barnes: A couple more things I want to add for consideration; one of the things we've talked about for years is how to recover money the City spent on Eastland so as you move forward, and I have a timing question as well as what I'm about to say. If we can sell the parcels and get them back on the tax rolls to some extent that would be helpful. It would be helpful in addition to the CMS piece and the Park and Rec piece to see how and if you all can get some private developers interested in the tan area there. Also what happened to the QT, is that underway?

Autry: Starting a demo on Monday.

Barnes: So that is underway; and again with an eye towards intentionality, determining whether we have any private sector partners would be helpful for the mixed-use components and then also further refinement in the County/CMS components would be helpful because here is the question that I'm sure everyone is going to be wondering; so when might we see this start and if you have any idea about that. For the media, I'm not trying to nail down any dates, but it is something that you would envision being able to start in the next 24-months or 18-months or 12-months or 36 months?

Mumford: Yes. The school would be the first one to go; the school is on a timeframe to open up in the fall of 2018 and so they would like to close by the end of the year so they can begin construction in the springtime frame of next year and have 18-months to build. That is generally where we are so let me go to this next steps because you actually set that one up nicely. We want to continue to work with the schools to finalize an agreement so that we can bring to the Council, here is a for sale land sale agreement with CMS. Now, to your point about return on the investment, as we all know the City didn't buy the land in a real estate business to flip it and get X return and go buy another piece of land. That is really top of mind for us on how can we go to the development community and that is one of the next steps and really see what the interest level is now that we have a more defined site plan and take these parcels one at a time. We think that is a good way to go; the diversity of architecture that was shown in Portland is something that is intriguing to us. What is less intriguing is to sell all of this to one developer and have all of those buildings look the same; that doesn't feel good to us so we want to go out and test that, sell those parcels. We see the park, the school, the infrastructure as amenities that will drive that private sale and that development as well as enhancing value outside of these 80-acres. I think it is really a matter of how do we assess and define return because it is not going to be a good answer if that definition is return on the money spent for the property and then what did we get when we sold the remaining property. That's not going to be in our favor; what we have to take into account is that return, sale proceeds and the enhanced benefit of private development, property taxes that are there, returning the land itself to the tax rolls and the enhanced values that we are going to see around the 80-acres. I said this was going to be more of a qualitative discussion; that gets to be a little bit qualitative in that how far out do you go. We see that more comprehensive approach to return is probably the more appropriate way to look at this development.

Barnes: You are helping a lot. I did a walking/streetcar tour of that area in Portland that you showed and they used an interesting funding source for their streetcar system, but I will tell you it looks great the way it turned out. It's fantastic and with the examples you showed about how they incorporated the urban storm water features was I thought a fascinating use of storm water facilities and how they incorporated them into the area, the diversity of the architecture was fascinating as well. I think they did a good job. Hopefully we can do something better.

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 22

Fallon: What interest have we gotten from developers?

Mumford: We went out about four or five months ago to test this general idea of how would you respond as developers to a school and green space, just to get an idea, not hey will you develop here but how would that impact your decision making on where to deploy your capital. We received positive comments from developers, just that conceptually. What we want to do now is go back out to the development community and really more specifically and look for request for interest on how you might look at developing each of these parcels so now what would be a shift from we are looking for your industry knowledge to specific interest in developing our parcels.

Fallon: Has anybody told you they were interested?

Mumford: No, and the reason Ed switched the graphics is because it literally just got completed about 11:30 this morning so we have not had time, but that is one of the next steps you will see here on the second to last is to assess developer interest. That is absolutely where we will go. I know this feels like it is pulling teeth with this site; it is an irrigative process and we are the point now where we have something tangible to take out to the market and to Ed's point that it is a starting point, it is a starting in that the details aren't refined. I would like to suggest that it is not a starting point but we have a whole different scheme coming into play. For us it is about movement and it is about movement because of the market. Money is, I said it was cheap the other day and somebody kind of dinged me for it. Money is at lower rates today historically and this window will not be forever and so rates will increase; cost to develop will increase. We would like to put this out there in time to maybe catch this first wave of economic.

Fallon: So you will take bids when they will come?

Mumford: Yes mame absolutely we would.

Fallon: Refine it architecturally; you are not going to let them go build anything they want.

Mumford: That is actually what you all control so that is a next step is to determine we own the land, how might we encourage the details that is good design. Now good design often times comes with a higher price tag and this gets back to the return, so does that mean some of the land acquisition price is discounted so we end up with a product that is better that ends up influencing the area around it. That could be a potential way to do that. The short answer is that is exactly what we are going to do in next steps. I am sensitive to time; do you want to run through the rest of them?

Barnes: Sure.

Mumford: I just want to run through a couple of these other points; so we've talked about finalizing the CMS, we want to finalize with our friends at Park and Rec as well and that will take a public input process. While we've shown a park, back to Ed's point, the details still have to be determined and we feel it is important to understand that the design of the park is more important than just sheer size of the mass. A well designed, well maintained park is much more of an amenity to people than just big green open space so how does the community want to use that. This isn't just for residents on this

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 23

80-acres, it is for the community and so Park and Rec is very good in engaging the community in that so there will be a lot more public process in the design of the green space. That will take longer than the negotiations with the schools and so the school is first which will come to you hopefully in the fall and then Park and Rec will be more of a partnership on how we get it built out and the design so that takes a little bit longer.

The budget and the phasing; this will take years to complete so the expectation I hope isn't that you saw this on the 21st so by October the thing we showed is done, right? That is just not going to happen. It may take a decade; it may take five-years, we don't know. We believe the phasing with the school and the green space is a great way to start and we will also bring back to you, to Ms. Lyles point, sort of the broader context. There is a Campbell Creek Greenway going up just a little bit further down Albemarle Road. We are showing how this can connect into that so there a lot of things that we have still yet to refine that will enhance the viability of this site. We will bring back to you a committee update. At some point, we need to touch base with the rest of your colleagues before we start spending much money and let everybody see this. I sense we are getting close to that point; we need to figure out how are we going to manage the design of all of this, how we are going to manage the development because this is not what we do on a daily basis. We are working through what that looks like; we will need some support for that from external sources. Those are what we see as next steps.

Lyles: I think you covered a lot of what I had questions about so this is one of the things I think in terms of my colleagues, I think when we do the school, we ought to also have a discussion on what the return definition is so that we are all on the same page as we are taking that first step to commit to something, not to say two plus two equals four, but that we all work from some understanding because when I came on Council, I thought it was basically \$13 million and maybe that was never written down but I would like for us to at least understand and have all of our colleagues understand so we get that out and pretty clear early because I think that is really important for us to understand.

Phipps: So this site is going to have a variety of Zoning classifications, institutional, residential, mixed-use so it has a flavor pallet of different potential zones?

Mumford: Correct.

Kimble: That is pretty descriptive, flavor and pallet.

Phipps: It looks exciting.

Driggs: I want to pick up on questions that were asked. If we are not looking at a returns on investment, it would still be interesting to know about what recovery of investment might occur or conversely are there outlays that you think are needed beyond the \$13 million that we have invested now and in particular as you go to develop this, I think what you encounter is the first investors are going to look upon it as something very risky so they are going to say I'll do it if you will do it and you get these letters of intent and conditions and the City could be put in a position of being asked to give certain undertakings in order to make the whole structure kind of take shape. Then at some point you cross a critical mass line and then people think okay it is going to happen, I'm in. So what kind of

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 24

exposures do you think the City could have in the process of bringing this to fruition? Are we going to end up not recovering any of the \$13 million and potentially having to invest more?

Mumford: We do not think that is the case. I absolutely agree with what you are saying; early in there's higher risk so it may be that there is more of a discount on the price of the land. Somebody says gosh I can do this but I can't pay that much per acre this is going to cost me more. As development occurs and there is more certainty, we can begin to have a higher price tag on the remaining parcels of land. I hope I didn't say we are not interested in return on investment; what I meant to say is we don't want to limit return on investment to just the real estate dealing. I believe we need to look more broadly at the return in many different ways on site and off site. We do want a return, we do want to make sure that the \$13 million that was put into this site comes back to the City; it is just in what form or fashion of what year at the time, at least \$13 million. So it will follow a process what we've kind of laid out, assessing interest from the development community, determining how much somebody would want to pay and making sure that we respond appropriately to requests for additional work to support their development.

Driggs: The land for the school, are we selling that to CMS or is that contributed?

Mumford: Yes, we are selling it.

Driggs: So that is a commercial at least at the arm's length transaction? The park land; who owns that or is that contributed?

Mumford: The park land would be owned and managed by the County. We are working with the County in financial support to actually develop the park land so there is not an expectation from our perspective that the County would buy that land. They are talking about putting a considerable amount of money into actually building it out.

Fallon: They will maintain it?

Mumford: Yes.

Barnes: Would that be on..... if we give it to them?

Mumford: I don't know.

Kimble: I think the great news is that we have a superior partnership right now in getting to that answer with both the schools and the County and they are the table with us.

Autry: I appreciate the opportunity and privilege to join the Committee today and share this presentation. Sometimes I feel like I'm blue in the face talking about Eastland and back and forth, inside and out in all kinds of different manners and from different perspectives. Certainly the community is very anxious to get something going there or certain to have a direction defined and understanding the finite intricacies, not to make light of any of the images, but getting into the weeds with some of this is going to be the real important piece of it and the time. I appreciate Mr. Mumford, Mr. McKinney, Mr. DeLong, Bill and everybody that has, these Committee Members who have been

Economic Development & Global Competitiveness Committee
Meeting Summary for May 21, 2015
Page 25

willing to listen to me and take a word here and there. I would also like to thank the members of East that are here today, for your continued support and fighting the good battle. I think it is absolutely worth it and I think we are going to get there and recognize the real value and the potential in this piece of land six miles from Center City. Thanks Mr. Garges for being here to listen to this also; I understand that Parks and Rec, maybe they are funded by the County, but they are the only Parks and Recs Department the City of Charlotte has so having them involved with this going forward is going to be another key point. The K-8 school, there is always discussion from young families talking about where they should settle in and where should they settle down and having a magnet school in that area that is high functioning, high quality is just going to be another piece of the attractor puzzle to start pulling more investment into the eastside of the City which helps lift that whole piece up and makes it a better contributor to the whole City and release some of that reliance so much on the southern wedge. Thank you all for the work; I'm certainly appreciative of everything and anxious to see the next steps.

Barnes: Yes sir, thank you for being here. Anything else from the Committee, from our colleagues? Mr. Kimble, thank you for your leadership and involvement as well. This has been quite a process for you all together and you have certainly been in it from the beginning. Any other items from you guys?

Kimble: That is it. You meet again on June 4th.

Barnes: Our next meeting is June 4th in this room and we will see you then.

The meeting was adjourned at 2:10 p.m.

City Council
Economic Development & Global Competitiveness Committee

Thursday, May 21, 2015
12:30pm

Charlotte-Mecklenburg Government Center
Room CH-14

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

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. Charlotte Business INclusion Update – 30 minutes

Staff: Nancy Rosado, Management & Financial Services; Thomas Powers, City Attorney's Office

Action: Staff will seek input from the Committee on the CBI Policy's geographic eligibility requirements for counting Minority, Women, Small Business Enterprise (MWSBE) utilization toward MWSBE goals. The Committee will also receive an update on FY'15 CBI Outcomes.

II. Eastland Mall Redevelopment – 60 minutes

Staff: Patrick Mumford & Todd DeLong, Neighborhood & Business Services; Ed McKinney, Planning

Action: On February 19th, staff presented preliminary alternative redevelopment concepts for the Eastland Mall site. Today staff will provide an update on the redevelopment process, planning concepts for the site, and potential partnerships on redeveloping the site in a strategic and market-based manner.

III. Future Meeting Topics and Schedule – 5 minutes

Resource: Ron Kimble, City Manager's Office

Topic	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

IV. NEXT DATE: Thursday, June 4, 2015 at 12:30pm, Room CH-14

Distribution: Mayor/City Council Ron Carlee, City Manager City Executive Team



Charlotte Business INClusion Update



Economic Development & Global Competitiveness Committee Meeting
May 21, 2015



Agenda

- **Purpose**
 - Seek input on CBI Policy's geographic eligibility requirement for Minority, Women, Small Business Enterprise (MWSBE) utilization
 - Provide follow-up information requested at last update presentation
- **CBI Policy**
 - Current Geographic Eligibility Requirement
 - MWSBE Geographic Eligibility Considerations & Legal Analysis
- **FY15 MWSBE Mid-Year Results**
 - MWSBE Spend Achievements Analysis
 - Subcontracting Goal Compliance
 - ❖ Contract Awards through Good Faith Efforts
 - ❖ Bid Rejections Due to CBI Non-Compliance
- **Appendix**
 - MWSBE Vendor Analysis



Current CBI Policy
Geographic Eligibility Requirement

To participate in the CBI Program, MWSBEs must have a "Significant Business Presence" in the Charlotte CSA.

Significant Business Presence

A Business Enterprise is deemed to have a Significant Business Presence in the Charlotte CSA if it is headquartered in the Charlotte CSA.

Charlotte Combined Statistical Area (CSA)

The Charlotte-Gastonia-Salisbury Combined Statistical Area in effect as of April 8, 2013, consisting of:

- **North Carolina Counties:** Mecklenburg, Anson, Cabarrus, Gaston, Union, Stanly, Lincoln, Rowan, Iredell and Cleveland; and
- **South Carolina Counties:** York, Chester and Lancaster



MWSBE Geographic Eligibility
Considerations

	Current CBI Policy Firms headquartered in the Charlotte CSA.	Alternative Approach A Eliminate headquarters requirement and redefine "significant business presence" in the Charlotte CSA.	Alternative Approach B Expands geographic area to include all firms certified by the N.C. HUB Office. <i>(includes firms from all over the U.S.)</i>
Comparison to 2011 Disparity Study relevant market	Smaller pool of MWBEs	Consistent with relevant market and MWBE availability figures defined in the City's 2011 Disparity Study.	Larger pool of MWBEs that goes beyond the Disparity Study's defined relevant market.
Administrative Considerations	Somewhat easy to verify business headquarters.	More Difficult to verify. Policy language would need to be added to further define "significant business presence." <i>(i.e., office, employees, revenue, etc...)</i>	No vetting required by the City.
Overall MWSBE Utilization	Lower	Higher	Highest





MWSBE Geographic Eligibility Considerations: Legal Analysis

	Current CBI Policy	Alternative Approach A	Alternative Approach B
	Firms headquartered in the Charlotte CSA.	Eliminate headquarters requirement and redefine "significant business presence" in the Charlotte CSA.	Expands geographic area to include all firms certified by the N.C. HUB Office. <i>(includes firms from all over the U.S.)</i>
Withstanding US Constitutional Challenge to relevant market criteria	Likely	Unsure (i.e. 50/50)	Extremely Unlikely
Withstanding State Law Challenge to relevant market criteria	More than Likely	More than Likely	N/A

- Courts apply a higher level of scrutiny for racial and gender based programs. City has burden to prove program's purpose to remedy past discrimination and whether the means used are not burdensome.
- Racial (Strict Scrutiny): must serve a compelling governmental interest, and must be narrowly tailored to further that interest.
- Gender (Intermediate Scrutiny): serves important governmental objectives and that the discriminatory means employed are substantially related to the achievement of those objectives

4



FY15 MWSBE Mid-Year Results Prime Spend

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

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

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

5



FY15 MWSBE Mid-Year Results Prime Spend by Race/Ethnicity/Gender

Certified MWSBE Vendor Ownership	FY15 Mid-Year Spend (July 1 - Dec 31, 2014)	Number of MWSBE Firms
African American	\$1,750,552	26
Hispanic	\$236,419	5
Asian	\$231,494	4
Native American	\$111,781	4
Non-Minority Female	\$4,488,851	55
Non-Minority Male	\$5,910,781	51
	\$12,729,878	145

6



FY15 MWSBE Mid-Year Results Prime Spend by Industry Type

Work Category	FY15 Mid-Year Spend (July 1 - Dec 31, 2014)	Number of MWSBE Firms
Architecture, Engineering & Surveying	\$1,412,979	19
Construction	\$6,344,477	34
Goods & Supplies	\$1,091,481	26
Other Services	\$2,687,479	52
Professional Services	\$1,193,462	14
	\$12,729,878	145

7



FY15 MWSBE Mid-Year Results Construction Subcontractor Spend by Race/Ethnicity/Gender

Certified MWSBE Vendor Ownership	FY15 Mid-Year Spend (July 1 – Dec 31, 2014)	Number of MWSBE Firms
African American	\$1,907,113	21
Hispanic	\$2,155,447	13
Asian	\$503,838	6
Native American	\$510,113	3
Non-Minority Female	\$10,519,911	42
Non-Minority Male	\$1,089,142	25
	\$16,685,564	110

8



FY15 MSBE Subcontracting Goal Compliance

Total Number and Value of Formal Contracts with Established MSBE Subcontracting Goals*	46 \$86,556,342
Contracts Awarded through Good Faith Efforts	3 \$8,643,789
Bids Rejected due to CBI Non-Compliance	2
– Cost difference incurred by City to award to second low bidder.	\$46,499

**Data reflects contracts awarded from July 1, 2014 through May 11, 2015.*

9



Comments & Questions

10



APPENDIX: City MWSBE Firms by Race/Ethnicity/Gender

Ownership	Number of MWSBE Firms
African American	328
Hispanic	80
Asian	28
Native American	12
Non-Minority Female	251
Non-Minority Male	186
Total Certified MWSBE Firms	885

11



APPENDIX: City MWSBE Firms by County

Counties*	Number of MWSBE Firms
Mecklenburg	691
Cabarrus	44
Union	42
Gaston	38
York (SC)	26
Lincoln	15
Iredell	12
Rowan	7
Stanly	4
Cleveland	3
Anson	3
	885

*There are currently no certified MWSBE firms from Chester and Lancaster Counties (SC).

12



APPENDIX: City MWSBE Firms by Industry Type

Work Category	Number of MWSBE Firms
Architecture, Engineering & Surveying	115
Construction	311
Goods & Supplies	93
Other Services	317
Professional Services	49
	885

13



Eastland Redevelopment Strategy Update

Economic Development &
Global Competitiveness Committee

May 21, 2015



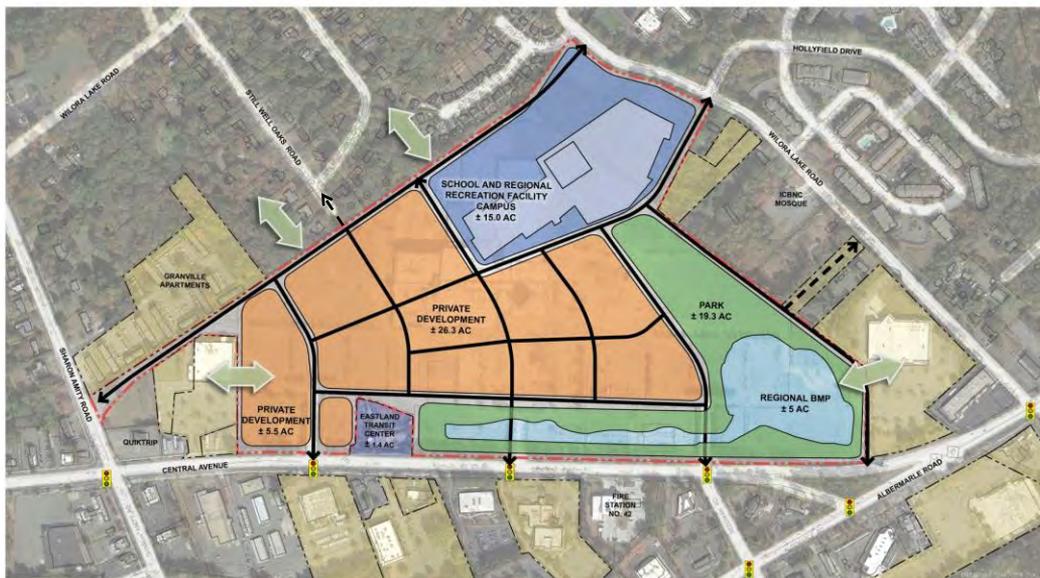
Foundational Community Principles

- Eastland Area Strategies Team (EAST) Qualitative Principles in Support of Eastland Redevelopment:
 1. Enhance the Perceptions of the Eastland Area & East Charlotte
 - Create sense of place
 - Enhance property values onsite and in surrounding neighborhoods
 - Catalyze offsite redevelopment opportunities
 - Attract new residents, workers, and visitors
 2. Unify Local Communities
 - Creating a “place” and enhancing community pride
 - Energized, high-quality, public environment to create a new central gathering place



Foundational Community Principles

- Eastland Area Strategies Team (EAST) Qualitative Principles in Support of Eastland Redevelopment:
 3. Create Connectivity & Walkability for Surrounding Neighborhoods
 - Streetcar and TOD opportunities provide valuable connection between public space, ancillary redevelopment and Uptown
 - Increased connectivity between neighborhoods ("opening up" the site)
 - Encourage increased pedestrian activity
 4. Take Advantage of Natural Features
 - Stormwater detention as an amenity
 - Park with balanced combination of activities and amenities to create successful multi-functional community amenity
 5. Create Opportunity for Civic Development
 - Combination of K-8 magnet school, park, and public transit provide unique opportunities to leverage private investment and enhance the quality of life



**Development Concept
Functional Plan**

	PARK AND REC. OPEN AREA	19.3 AC		POTENTIAL OFFSITE REDEVELOPMENT	32.8 AC
	PRIVATE DEVELOPMENT	31.8 AC		IMPROVED INFRASTRUCTURE CONNECTION	16.9 AC
	SCHOOL / RECREATION CAMPUS	15.0 AC			
	STORMWATER POND	5 AC			





Open Space



Open Space: **22 acres (27.5%)**
School: **12 acres (15%)**

Development



Development: **26 acres (32.5%)**

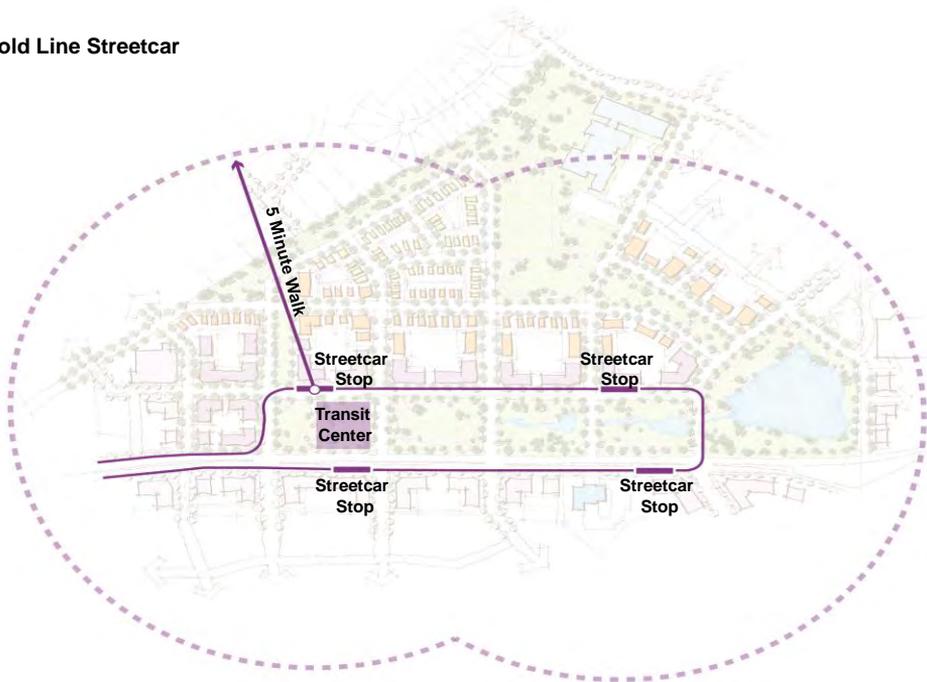
-  **Mixed Use (Retail, Office, Multifamily)**
-  **Medium Density Residential**
-  **Medium-Low Density Residential**

Streets & Blocks



Right of Way: **20 acres (25%)**

Gold Line Streetcar



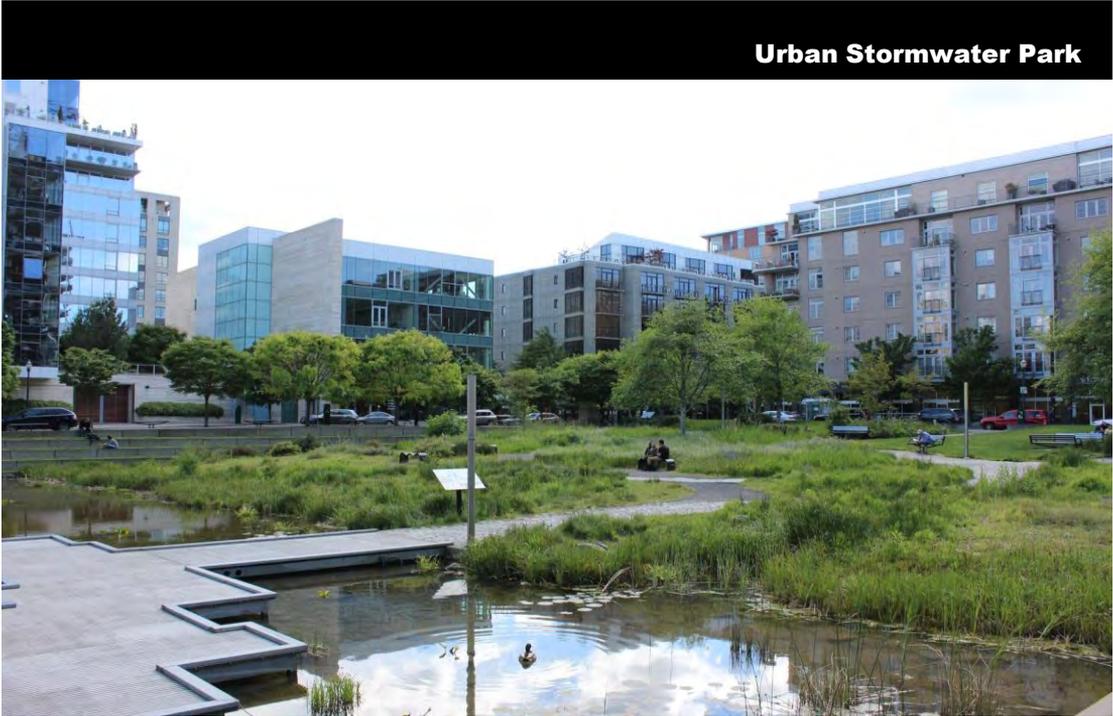
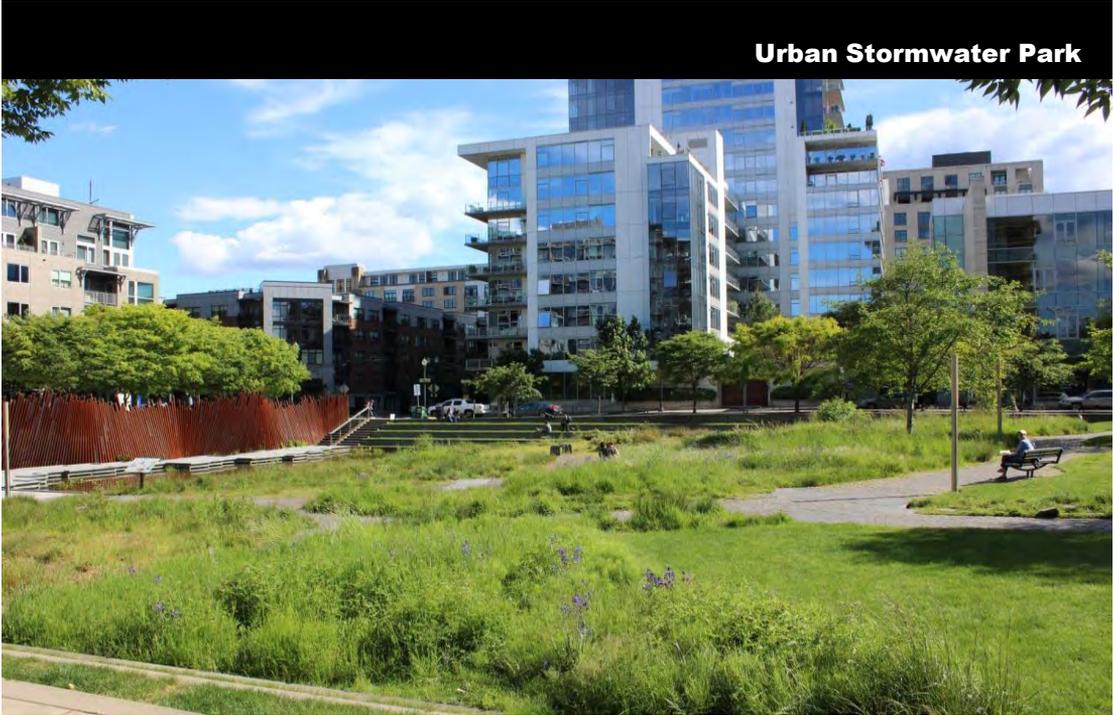
Concept Plan

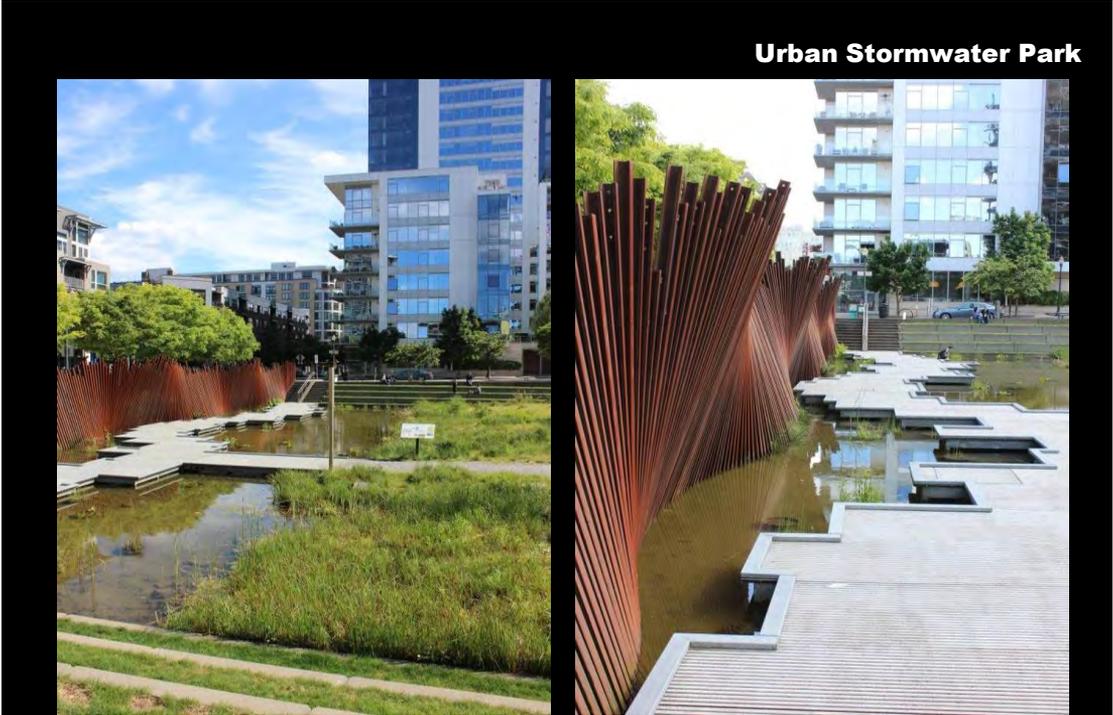


Open Space:	22 acres (27.5%)
School:	12 acres (15%)
Development:	26 acres (32.5%)
Right of Way:	20 acres (25%)
80 acres	

Design Vision

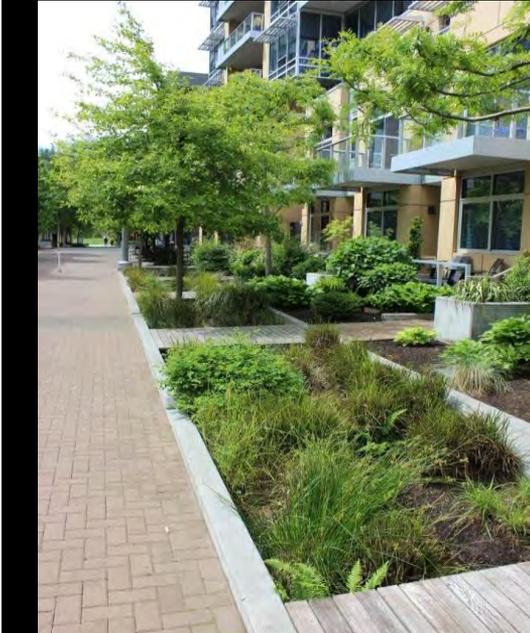








Urban Stormwater - Green Streets



Urban Stormwater - Green Streets



Mid Rise Mixed Use Development



Mid Rise Mixed Use Development



Transit Oriented





Next Steps

- Finalize agreements with CMS and Parks & Recreation
 - Determine building specs/requirements
 - Public engagement
- Refine budget and phasing strategies
- Finalize master plan
- Provide committee with progress updates
- Assess developer interest
- Update full council