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WEEK IN REVIEW:

Mon (July 11)	Tues (July 12)	Wed (July 13)	Thurs (July 14)	Fri (July 15)
12:00 PM Governance & Accountability Committee (CANCELLED)				

CALENDAR DETAILS:

Monday, July 11

12:00 PM (CANCELLED) Governance & Accountability Committee, Room 280

July and August calendars are attached.



July - August
2016.pdf

INFORMATION:

July 13 – Public Meeting on FAA Metroplex Study and Flight Tracks Changes

Staff Resource: Brent Cagle, Aviation, 704-359-4035, bdcagle@cltairport.com

On July 13, 2016, the Federal Aviation Administration (FAA) will hold a public meeting to discuss their planned implementation of the third of the three-phase “Charlotte Optimization of the Airspace and Procedures in the Metroplex” study. This final phase will focus on procedures for flights departing to the south. The initial departure tracks remain the same (after Metroplex phase one & two changes), however the tracks will be split into three different directions when the aircraft are at or above 3,000 feet.

The public meeting will be from 6 p.m. to 8 p.m. at the Bette Rae Thomas Recreation Center, Multi-Purpose Room AB, 2921 Tuckaseegee Road Charlotte, NC 28208. The FAA will conduct a short briefing on the Metroplex program and be available to answer questions. The formal FAA announcement for the meeting is attached. City Council is encouraged to attend the workshop if available.

Background

In February 2011, the FAA’s Charlotte Optimization of the Airspace and Procedures in the Metroplex Team (CLT OAPM Team) began to study potential flight operation(s) alternatives to optimize the use of airspace in the Charlotte (CLT) Metroplex area. The FAA’s goal for the project is to enhance safety and increase efficiency of the CLT airspace.

As part of the study, the FAA conducted an Environmental Assessment and issued a Finding of No Significant Impact in June of 2015. The CLT OAPM Team then began implementation of the study recommendations in a three-phased approach.

Phase One: As previously shared with Council, in October 2015 the FAA implemented phase one of the study which focused on dispersing existing departure routes to the southwest of the Charlotte-Douglas Airport. After the FAA implemented phase one of the Metroplex Study the Airport experienced a significant increase in the number of noise complaints received from the Chapel Cove and the Sanctuary neighborhoods. Both of these neighborhoods are located in the

southwest area of the study and, historically, have received a small number of overflights. Due to the dispersion of the departure routes associated with the Metroplex Study, the Sanctuary and Chapel Cove areas have experienced an increase in the number of overflights in their areas (while other neighborhoods in the southwest area have experienced a decrease in the number of overflights – i.e. the neighborhoods/areas further south of the Sanctuary now receive less overflights as a result of the change). Representatives from the neighborhoods are in contact with the FAA and have asked the agency to look at this issue.

Phase Two: In May 2016, the FAA implemented phase two of the study which focused on dispersing existing departure routes to the southeast of the Airport. The FAA believes that, upon implementation, a similar dispersion of departure routes occurred. Similar to the phase one changes, the phase two changes take a concentrated departure path and disperse it over a larger geographic area – which serves to reduce overflights in some neighborhoods while increasing them in others (i.e. “balancing out” the flight paths). On the evening of May 19, 2016, the FAA held a public meeting to discuss their planned implementation of phase two of the study. To date, the Airport has received some noise complaints from Beverly Woods and the South Park areas, but the Airport has not seen a significant increase in noise complaints from these changes. Airport staff will continue to monitor any noise complaints.



FAA Public Meeting
Notice July 13 2016.p

NBS Neighborhood Board Retreat Participants

*Staff Resources: Nicole Storey, NBS, 704-336-2929, nrstorey@charlottenc.gov
Steve Wood, NBS, 704-336-4161, swood@charlottenc.gov*

Neighborhood & Business Services (NBS) will host its eighth Neighborhood Board Retreat on Saturday, July 16, from 8:30 a.m. to 1:30 p.m. at UNC Charlotte Center City, 320 E. 9th Street. Mayor and City Council members are invited to attend the opening session at 8:30 a.m. and drop-in on sessions throughout the day.

The board retreat was created to help neighborhood organizations engage in meaningful conversations about quality of life in their communities and develop their work plans for improvement. Through facilitated discussions, participants develop strategies and discover resources to implement their plans. Additionally, neighborhoods in eligible areas qualify for a \$1,500 match credit from the Neighborhood Matching Grant program. Since the board retreat’s inception in July 2012, 117 organizations have participated and 151 goals have been accomplished.

For this session, staff will be able to accommodate all organizations that applied and met the minimum attendance requirements. Eleven of the 15 participating groups are taking part for the first time.

District	Neighborhood Organization
1	Cherry Neighborhood*
2	5 Points Community Collaborative*
2	Avalon at Mallard Creek Townhomes*
2	Biddleville-Smallwood Community Organization
2	Historic West End Neighborhood Association*
2	Lakewood
3	Wilmore Neighborhood Association
3	Ponderosa Community*

District	Neighborhood Organization
3	Springfield Community*
3	Summerville Townhomes*
3	Westover Hills Neighborhood Association
4	Browne's Ferry Homeowners Association*
4	Mallard Trace HOA*
4	Timberlands HOA*
6	Sherbrook HOA*

*First time participants

2016 State Legislative Report #10

Staff Resource: Dana Fenton, City Manager's Office, 704-408-7393, dfenton@charlottenc.gov

Attached is the final weekly State Legislative Report for 2016, which largely mirrors the daily reports provided to Mayor and Council in the final days of the session. In the next few weeks, staff will be finalizing the 2015-2016 report card and bill summaries, and distributing these as appropriate.



2016 week 10
report.pdf

ATTACHMENTS:

May 26 Economic Development & Global Competitiveness Committee Summary



EDSummary5-26-16.
pdf

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	5	6	7	8	9
10	11	12	13	14	15	16
17	18 5:00pm Zoning Meeting, Room CH-14	19	20	21	22	23
24	25 5:00pm Citizens' Forum/Council Business Mtg., Room 267	26	27	28 6:30pm CM Eiselt and CM Phipps Town Hall Mtg., Elevation Church – 8105 IBM Drive	29	30
31						

2016

August

<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	5	6
7	8	9	10	11	12	13
14	15 12:00pm Governance & Accountability Committee Mtg., Room 280	16	17	18	19	20
21	22 12:00pm City Attorney's Evaluation, Room CH-14 5:00pm Citizens' Forum/Council Business Mtg., Room 267	23	24 5:30pm MTC Meeting, Room 267	25	26	27
28	29	30	31			

2016

FAA News



Federal Aviation Administration, Washington, D.C. 20591

FOR IMMEDIATE RELEASE

June 27, 2016

PUBLIC MEETING NOTICE

FAA TO HOLD PUBLIC MEETING ON NEW AIR TRAFFIC PROCEDURES FOR CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT

The Federal Aviation Administration (FAA) will hold a meeting to brief the public on new air traffic control procedures for flights at Charlotte Douglas International Airport (CLT) that will be effective on July 21, 2016.

WHO: Dennis Roberts, Regional Administrator, FAA Southern Region

WHEN: July 13, 2016, 6 to 8 pm

WHERE: Bette Rae Thomas Recreation Center, Multi-Purpose Room AB, 2921 Tuckaseegee Road, Charlotte, NC 28208.

WHY: The FAA is establishing three new Standard Instrument Departure (SID) procedures for flights departing to the south. The initial departure tracks are the same as aircraft fly today. However, the departure tracks split into three different directions when the aircraft are at or above an altitude of 3,000 feet.

The FAA also is establishing five new Standard Terminal Arrival Routes (STAR) for flights arriving at CLT from the southeast and southwest. The flight tracks are similar to current flight paths below 16,000 feet. Four of the new STARs are satellite-based procedures; one STAR is a conventional, ground-based navigational procedure.

The FAA conducted an Environmental Assessment (EA) of the changes, which included three public workshops in the Charlotte area, in December 2014 and January 2015. The EA resulted in a Finding of No Significant Impact in June 2015.

The changes are part of the FAA's Metroplex initiative, a comprehensive plan to improve the flow of air traffic at airports in major metropolitan areas nationwide.

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CHARLOTTE™

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

July 7, 2016

TO: Ron Kimble, Deputy City Manager
FROM: Dana Fenton, Intergovernmental Relations Manager
SUBJECT: 2016 State Legislative Report #10

Trending Topics

Senate and House passed **Adjournment Resolution (SJ 903 – Apodaca)** to end the 2015 Regular Session on Friday, July 1. General Assembly is next scheduled to convene for the one day organizational session of the 2017 General Assembly on January 11, 2017.

Several measures not considered by the House and/or Senate prior to adjournment include: **Omnibus Constitutional Amendments (HB 3 – McGrady), Repeal House Bill 2 (HB 946 – Jackson / SB 784 – Van Duyn), The Equality for All Act (HB 1078 – Sgro), Provide Protections Against Discrimination (HB 1118 – W. Richardson), Economic Development Changes and Study (HB 1029 – S. Martin / SB 810 – Brown), Eliminate Use of Development Tiers (HB 1082 – Davis / SB 844 – Hise), Prosperity & Economic Opportunity for All NC Act (HB 1090 – S. Martin / SB 826 – Gunn), Amend Environmental & Other Laws (HB 593 – McElraft), Regulatory Reform Act of 2016 (SB 303 – Barefoot), Terminate Agreement for Tolling of I-77 (HB 954 – Jeter), Performance Guarantees / Subdivision Streets (SB 778 – Wade), Local Government Immigration Compliance (HB 100 – Cleveland), and Local Government Immigration Compliance (SB 868 – Sanderson).**

House and Senate approved the conference report to the **2016 Appropriations Act (HB 1030 – Dollar)**, which now goes to the Governor for signature.

A bill dealing with economic development funding was gutted and converted into the vehicle to move the rental registration legislation proposed in companion measures HB 430 and SB 442. **Local Governments / Buildings / Structures / Inspections (SB 326 – Gunn)** prohibits local governments from requiring property owners to register all of their rental properties and makes other changes to the statutes authorizing such programs. SB 326 will require modifications to be made to the program operated by CMPD. SB 326 passed House and Senate and sent to Governor for signature.

Drinking Water Protections / Coal Ash Cleanup Act ([HB 630](#) – Yarborough) has passed House and Senate and sent to Governor for signature. HB 630 is a compromise measure between legislative and executive branches to guide the coal ash cleanup.

A bill dealing with life insurance was gutted and converted into a wide ranging elections bill, including a study of municipal election cycles. **Elections Omnibus Revisions ([SB 667](#) – Apodaca)** states the General Assembly’s “intent” to implement even-numbered year municipal elections, effective with the 2020 election cycle, and directs the Joint Legislative Elections Oversight Committee to study the options to implement this change and recommend legislation to accomplish this goal. The Committee is to publish a final report before the convening of the 2017 Regular Session of the General Assembly. [SB 667 has passed House and Senate and sent to Governor for signature](#).

Administrative & Fiscal

House did not take action to concur with Senate changes to **Local Government Immigration Compliance ([HB 100](#) – Cleveland)**. HB 100, along with [SB 868](#) (Sanderson), would have created “additional incentives” for local governments to comply with State immigration laws. Among the “incentives” to comply with such laws was the threat of losing Powell Bill funding in the event the Attorney General found that a local government was in violation of State immigration laws.

House did not take action to concur with Senate changes to **Omnibus Constitutional Amendments ([HB 3](#) – McGrady)**. HB 3 contained three proposed constitutional amendments to prevent eminent domain from being used for economic development purposes (introduced version of HB 3), establish an emergency savings fund and lower the maximum income tax rate from 10% to 5.5% ([SB 817](#) – Rucho), and establish the right to hunt, fish and harvest wildlife ([SB 889](#) – Brock).

Key points of the **2016 Appropriations Act ([HB 1030](#) – Dollar)** include:

- Budget replaces the \$500,000 cap on state funding for light rail projects with a 10% state funding limitation on commuter rail and light rail projects. Language has a direct impact upon the planned Durham-Orange light rail project, which is better explained in the hyperlinked [Go Triangle press release](#). Language doesn’t appear to impose any restrictions on state funding for the LYNX Blue Line Extension.
- Budget raises the “zero tax bracket” over a two year period starting with the 2016 tax year. For those filing their income taxes in the “married, filing jointly/surviving spouse” category, the standard deduction increases from the current \$15,500 to \$16,500 in tax year 2016 to \$17,500 in tax year 2017.
- Budget repeals a key plank of the 2015 sales tax redistribution compromise that contributed \$17.6 million from State to local sales tax coffers. These funds were a portion of the total funds redistributed to the 79 “poorer” counties.

Land Use Regulatory Changes (HB 483 – Jordan) was transformed into a bill addressing how multi-phased developments are treated with respect to changes in zoning and subdivision ordinances. The sections addressing performance guarantees and more onerous land use regulatory changes were struck from the bill. HB 483 sent to Governor for signature.

No action was taken by the General Assembly on **Repeal House Bill 2 (HB 946 – Jackson / SB 784 – Van Duyn), The Equality for All Act (HB 1078 – Sgro), or Provide Protections Against Discrimination (HB 1118 – W. Richardson).**

Regulatory Reduction Act of 2016 (HB 169 – Hager) was retooled as the Restore State Claim for Wrongful Discharge, which amended section 3.2 of House Bill 2 to restore the state tort claim for wrongful discharge and set a retroactive effective date of March 23, 2016. HB 169 passed both chambers and was sent to the Governor for signature.

Economic Development

No action was taken by the General Assembly on economic development measures focused upon rural economic development: **Economic Development Changes and Study (HB 1029 – S. Martin / SB 810 – Brown), Eliminate Use of Development Tiers (HB 1082 – Davis / SB 844 – Hise), and Prosperity & Economic Opportunity for All NC Act (HB 1090 – S. Martin / SB 826 – Gunn).**

Environmental & Planning

No action was taken by the General Assembly on **Amend Environmental & Other Laws (HB 593 – McElraft) and Regulatory Reform Act of 2016 (SB 303 – Barefoot).** In addition, the **Regulatory Reduction Act of 2016 (HB 169 – Hager)** was transformed into a bill to restore the state tort claim for wrongful discharge. Therefore, sections in SB 303 to make it more difficult for local governments to enforce ongoing land use violations and HB 169 to repeal recycling requirements for discarded computer equipment and televisions were not passed. The section in HB 593 prohibiting cities from charging fees for activities conducted in the rights-of-way by suppliers of natural gas, telecommunications, video programming and electricity was inserted into SB 481, which is described below.

House and Senate have passed and sent to Governor for his signature **Fund Small Businesses / Department of Revenue Rulings / City Rights of Way (SB 481 – Barringer).** Part III of SB 481 prohibits cities from charging fees for activities conducted in the rights-of-way by suppliers of natural gas, telecommunications, video programming and electricity. The City collects approximately \$1.1 million of such fees annually that would be foregone under the bill. This provision is effective July 1, 2017.

Infrastructure

Senate took no action to consider **Terminate Agreement for Tolling of I-77 (HB 954 – Jeter)**. HB 954 passed the House on June 2 by vote of 81-27, whereupon the Senate referred it to the Senate Transportation Committee where it remained for the session.

Senate took no action to concur with House changes to **Performance Guarantees / Subdivision Streets (SB 778 – Wade)**. SB 778 would have provided that NCDOT would have primary responsibility for design of and funding for transportation ingress/egress improvements to schools, public and otherwise, from state and locally owned rights-of-way. However, questions remained unanswered as to whether improvements such as sidewalks, traffic signals, and left turn lanes would have been eligible for funding under SB 778.

Public Safety

Body-Worn & Dashboard Cameras / No Public Records (HB 972 – Faircloth) passed House and Senate and has been sent to Governor. HB 972 is legislation recommended by the Joint Legislative Oversight Committee on Justice and Public Safety to establish statewide standards for the release of body-worn and dashboard camera video and audio.

COMMITTEE AGENDA TOPICS

- I. **Charlotte Business INClusion (CBI) Policy Amendments**
Action: Staff will present proposed amendments to the Charlotte Business INClusion Policy and receive input and support from the Committee on the process for implementing any appropriate changes.
- II. **Future Meeting Topics**

COMMITTEE INFORMATION

Council Members Present: James Mitchell, LaWana Mayfield and Julie Eiselt

Council Members Absent: Vi Lyles and Ed Driggs

Meeting Start & End Time: Noon to 1:32p.m.

ATTACHMENTS

Proposed CBI Policy Amendments Presentation

DISCUSSION HIGHLIGHTS

- Mitchell:** Chairman Mitchell welcomed everyone to the meeting and asked for introductions. I must say to my Committee Members and the community, thank you so much for going to the Women's Business Center grand opening and getting here before 1:00pm. We really appreciate it.
- Dick:** I wanted to welcome our interns who are all here to get to some learning experience.
- Mitchell:** Thank you everyone. I promise we will be finished before 1:45pm because my colleagues have other important engagements they must attend so Mr. Deputy City Manager, I will turn it over to you.
- Kimble:** Thank you Mr. Chairman and members of the Committee. We have one item on your agenda today. If we have a few minutes at the end, we'll talk about our next scheduled committee meeting because we will probably need to remove that one from the calendar because of conflicts and then I might be able to give you an update on item number two that's in the future meeting topics. Charlotte Business INClusion, possible amendments is the only scheduled item today. I'm going to turn it over to Randy Harrington, CFO for the City, who will then turn it over to Nancy Rosado. I think Randy wants to make some opening comments about the process and then turn it over to Nancy.

CHARLOTTE BUSINESS INCLUSION (CBI) POLICY AMENDMENT

Harrington: Thanks Ron and thank Chair and the Committee. We were last before you back in, I think, late January or early February, and at that time we talked about the Disparity Study, but we also mentioned to you that we wanted to bring back some amendments for consideration for the CBI policy; some amendments that we think can help us expand our inclusion and diversity efforts. We're excited to bring those back to you today for your consideration. Two other pieces that I will note, and through this process, we have had stakeholder and partner participation and input on this and Nancy will comment on those as she goes through the presentation. That's been very valuable as well as looking at some of our pier cities and seeing how they do some of the components of their respective policies. The last piece just mentioned, again, Nancy will touch on this maybe just a little bit more, but these amendments, the City Manager, under your adopted policy, has the authority to make these adjustments and amendments to the policy, but we want to bring this back to the Committee, one, to see if you are in agreement with the policies, the proposed adjustments, and then two, to get your input in terms of the process going forward for if you agree with it, the way we implement. There are some options with that and Nancy will cover that. We want to get your awareness and input to see if we are on the right track. So with that, I'm going to go ahead and turn it over to Nancy.

Rosado: Thanks Randy.

Mitchell: Nancy, before you begin, does everyone have a copy of the PowerPoint presentation?

Kimble: I think it's in your packet.

Mitchell: Okay, go right ahead.

Rosado: The purpose of today's meeting is really just to get your input on these policy amendments and share with you some more detail around them and context, and then to really ask for your input on the process for implementing any amendments that you deem are good and necessary for us to move forward with. We will talk briefly about, as Randy stated, the authority to amend or modify, and then we will get right into the policy amendments. There are three that are pretty significant changes to the policy, and then there are some other administrative amendments that we wanted to make you aware of.

The CBI policy that Council adopted in 2013 does provide language for the City Manager to actually authorize and amend the policy consistent with the overall purpose and intent of the Council-adopted policy, the CBI policy. These amendments are in line with that kind of theme. The Program Manager, which is me, I have the authority to amend a lot of the forms and the processes and any documentation and program requirements, but the City Manager does have the authority to actually implement policy changes.

The first amendment that we're here to discuss with you and to present is the amendment around redefining the significant business presence, which really has to do with who participates in the Charlotte Business INclusion Program. Right now, the policy requires that the MWSBE firms to be registered and certified with the program. They have to have a headquarters in the geographic area so it's not just that they have an office presence, but they actually have to be headquartered here. The consideration is to eliminate the headquarter requirement and to redefine it to allow MWSBE firms with an office, and by office we mean a physical location, not a P.O. box, but physical location in the area, in the CSA, the 13- county region that we use, to participate in the program. The CBI Advisory Council does support this policy

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Meeting Summary for May 26, 2016
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amendment and the CBI Advisory Council is made up of a lot of the community member organizations like Metrolina Minority Contractors Association, Hispanic Contractors Association, NAWBO, so all of our member organizations that we look to for input and advice, they have all endorsed this amendment.

To give you a little bit more context around the geographic eligibility considerations, the current CBI policy as I stated, the firms have to be headquartered in the Charlotte CSA. When you compare that to the 2011 Disparity Study relevant market, so a lot of what we do is, we'll look at the Disparity Study and say, "okay, what was the availability that the Disparity Study identified exists for minority women businesses," and what we have found is the headquarters requirement gives us a smaller pool of MWSBE vendors to perform on contract because the Disparity Study defines availability as a location, and if you are located here, then you count towards the availability. The Disparity Study, for example, will say that there are 100 African-American owned firms, but when you take that headquarters requirement, it may dilute it to a much smaller number because not all of them are going to be headquartered here. By going with the alternate approach, which is to eliminate the headquarters requirement and redefine it to include an office location, it is going to give us a larger pool of MWSBE lenders to perform on City projects and it's also going to bring us to an area where we are consistent with availability numbers that are identified in the Disparity Study.

Overall utilization will also be expanded with this new term because now we will be able to count and report to you the participation and the utilization of not just firms that are headquartered here, that are certified with our office, but are firms that we utilize that may have a presence and not a headquarters here, and that happens a lot. There are firms that call us from Greensboro and the Raleigh-Durham area who may do work here and have an office here but we won't allow them to count towards a subcontracting goal that we establish on a project.

Mitchell: Committee, any comments?

Eiselt: I think it's a good change.

Rosado: The next policy amendment has to do with removing the "actively in business" requirement, and this is really only speaking to the SBE certification that the City handles in our office. The City's policy currently requires that a business, in order to get certified as a small business enterprise, they must prove to us that they have been actively in business for 12 months. That was a change from the previous SBO policy, and the previous SBO policy required three months in business. The consideration that we propose is to remove that "actively in business" requirement altogether for SBE certification. Again, that will bring us to be consistent with the way the NC HUB office, in their certification process; they don't look at a length of time in business. Again, this is one of the amendments that we vetted it with CBI Advisory Council and they have also supported this policy amendment as well.

Eiselt: Could you go back to "actively in business" to obtain SBE certification firms? What else do they need to demonstrate in order to obtain the certification?

Rosado: I can answer that on the next slide.

Eiselt: Okay.

Rosado: We don't qualify that a firm can do the work that they are proposing to do on a project. When they come to us for certification, we don't qualify that they can do it; we are looking to see if they meet the City's eligibility requirements and definition of a small business enterprise. We are looking at if they have the appropriate professional licenses. If they come and want to get registered in the City's SBE program as an

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electrician, we won't certify them as an electrician unless it shows that they have the license, requirements necessary, work experience and equipment. We also look that they are for-profit and headquartered in the CSA. We'll look to see if they meet the size standard. For example, in order to get certified as an SBE, they have to be a quarter of the SBA size standard, and to give you an example, for general construction, the SBA size standard, the full-size standard is they can't have revenue over \$36 million. In order to qualify as an SBE, we only accept businesses that have \$9 million in revenue or less. There are some other requirements around personal net worth, so they have to submit that to us which has to be under \$750,000. Those are the requirements that we are auditing and vetting to make sure that they are truly a small business enterprise. When it comes to the qualifying, the length of time in business, right now it is just like, they have had their doors open and they have been looking for work for a year in that particular space. Removing the requirement, again, does bring us in line with how the HUB office does it. Right now, we almost have a like a Google track program because for businesses that are certified as MWBEs with our office, there is no requirement in length of time in business. That requirement is only for the SBE certification.

Eiselt: Can they qualify for the MWSBE and not be certified with the City; is that what this is saying? Because to be certified with the City, you have to be headquartered in Charlotte.

Rosado: Currently, that's one of the requirements. For the SBE certification, you have to be headquartered in the area and you also have to be in business for one year. What we have found, and I will give you an example, is we have businesses that will come to us and let's say someone who was an engineer or an architect with a big firm and they've been working in their trade for 20 years and then they decide to branch off and start their own business. We won't certify them as a small business enterprise, even though they have the work experience and the license to do the work, but because they haven't had a business in their name open for a whole year, they will not be eligible for certification. This will pretty much allow individuals that branch off and leave a bigger firm to start their own firm. It will give them the opportunity to get certified with our program and participate on spend opportunities.

The third policy amendment has to do with allowing MWSBEs to count the work that they are going to perform as a prime towards subcontracting goals. Think about it this way, on Council agenda every other Monday, when we're looking at projects and approving projects, on a construction project for example, if a company is a low bidder, we recommend them to award for Council consideration. If that company is a certified MWSBE firm, currently with the policy, they have to meet the subcontracting goals that we established just like anyone else. This requirement is saying that if they are an MWSBE certified firm and we set a goal, a construction subcontracting goal of let's say 10%. If they are certified, they can meet that goal with the work that they are going to perform themselves, but it sets a threshold. It's saying that for construction contracts under \$500,000, we would allow them to meet the goal using the work that they are going to perform themselves. On services contracts, that threshold would be \$200,000. That's the consideration; again, Metrolina Minority Contractors Association has supported this amendment as well as the Hispanic Contractors Association of the Carolinas.

Mayfield: Worst case scenario, how would someone find a loophole in it or take advantage of it? That is one of the conversations that led to us creating this specifically, is because we knew or heard of contractors who figured out loopholes in the system, so we were trying to strengthen it. So worst-case scenario, how could it be done in this instance?

Rosado: Unfortunately, I will be very honest, if you are of that frame of mind, you are always going to be able to find a loophole. If I may move forward to the next slide maybe that will answer some of the questions or address it.

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Mayfield: Okay.

Rosado: One of the things that we have heard from Council Members is that you want us to increase the capacity of MWSBEs, and what we've heard from our MWSBEs is that when they finally do get to a place where they are the low bidder on the contract especially on a small contract like a \$300,000 contract, to force them to have to sub out some of the work that they could do themselves is impacting their ability to gain capacity and experience. That's where this amendment really started from was hearing from our certified MWSBEs about making it a benefit to get certified and increase their capacity. The change will allow them to grow their capacity, and it's also a benefit to say if you are certified, you have this little ability to meet the subcontracting goal with the work you're going to do. We also did a review of pier programs because we wanted to make sure that this wasn't just something that others didn't find value in as well. Durham, Denver, and the North Carolina Department of Transportation do allow it. They don't have thresholds, but we really felt that listening to the community and the stakeholders, we also didn't want there to be a way where they could take that loophole and find a firm and have a big firm bid on a project and then not have to sub it out because that's not the intent. The intent is still to be able to grow those smaller businesses. The threshold, we feel, narrowly targets the MWSBEs that we want to benefit from this.

Mitchell: Staff, I will say to the point that Councilmember Mayfield made, I just think we have to monitor it. Let's say we see James Mitchell's firm and he has five projects and all five of his projects, he is self-performing the work with no other participation that should throw up a red flag and say you are not even trying to get any other opportunities. You are self-performing on all four of your contracts; we just need to monitor that. Nancy, I think your statement is profound. Folks are always going to try to find a loophole, but if we could just do our part and monitor it, I think that is the best check and balance system we can put in place.

Eiselt: Did you consider having a threshold for the value of the contract?

Rosado: That's what that threshold size would be.

Eiselt: Oh sorry.

Rosado: Any other questions on that?

Kimble: Look at that Durham, that city of Durham.

Rosado: They are progressing.

Mitchell: Well we have the expert now so I know our program is going be good. Oh no pressure Kevin, I'm sorry.

Dick: Actually, in Durham, that was a different department, so I cannot take any credit for that.

Rosado: Other administrative amendments that we wanted to make you aware of, the first one is to expedite the appeal process by removing the department director level hearing and sending the appeals directly to the City Manager's Office to improve customer service. We heard that whenever there was an issue of an appeal, there are so many steps and levels to an appeal that sometimes it is difficult for them to keep coming back to the City to have another appeal hearing so removing that will make it a little bit more of an expedited process. We're also making just some clarifying language to incorporate our payment affidavit policy, which is how we track subcontractor agreements and payments. It used to be its own separate policy and we want to incorporate it into the CBI policy. It really didn't make sense to have a policy

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regarding payments and how we track them outside of the current policy, so we are really just bringing that together. We are going to be adding language to clarify requirements for quick pay commitments and instituting liquidated damages. We want to make sure that if a prime contractor promises to apply quick pay payments to MWSBEs, right now the policy is silent on any liquidated damages if they don't adhere to it and so we caught that and want to rectify that issue. Then, other non-material technical edits to clean up, you know, take the "the's" and the "uh's" and dot the i's and cross the t's, and to clarify some policy language.

Mitchell: Right now, when we set up the vendors, are they on a 30-day pay cycle or 45-day pay cycle?

Rosado: Typically 30-day, but that's for primes.

Mitchell: Okay.

Rosado: Subcontractors get paid when the prime gets paid and it really depends on when that prime submits their payment.

The question we have for the Committee is do you support these proposed CBI policy amendments, and if you do, how do you propose we move forward with the process? We can take these amendments to the full City Council or we can allow the City Manager to implement them under the current authority with pre-implementation. By pre-implementation, we are thinking maybe a dinner briefing to the full City Council, but allowing the City Manager to move forward with making these amendments.

Mitchell: I'm just going to add my two cents; I prefer the first action take at the full City Council vote only because this Disparity Study was a big expenditure. I just want to keep the full Council aware of how we are investing in this program with some of the changes; this is so important to our community. I hate for the Council Members to be out there not knowing what we are doing and then the City Manager say "well I approved that last month." Committee, how do you all feel? LaWana, you okay taking it to full Council vote?

Eiselt: That's fine with me, I don't feel as strongly. I would be okay with a dinner briefing.

Mayfield: I am also comfortable with a dinner briefing. I think Nancy and I had the conversation yesterday where we went over this briefly and I already said this will be presented in the form of dinner briefing.

Kimble: So to get specific, could it be a dinner briefing and vote the same night?

Mitchell: Yes.

Kimble: Okay.

Mitchell: We don't have a lot of big changes. Staff did an excellent job with memos, sending them to Council and keeping them aware of what we are doing. Because it is so important to all of us, I just want to make sure the entire Council is aware of all the work we're doing. I see a few members of the CBI Advisory Council and want to thank them. It helps us as Committee Members to know that staff has reached out and you all are important stakeholders; thank you all so much for giving us input.

Rosado: Thank you Chair.

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Mitchell: Can someone make a motion on all three amendments? Is that right Nancy? Ron?

Kimble: Make a committee recommendation.

VOTE: *A motion was made by Councilmember Mayfield and seconded by Councilmember Eiselt to make a recommendation to the full Council to accept staff's proposed amendments to the Charlotte Business INClusion Policy and allow the City Manager to implement under current authority with pre-implementation notification to the full Council. The vote was unanimous (Mitchell, Mayfield & Eiselt). Mayor Pro Tem Lyles and Councilmember Driggs were absent for the vote.*

Mitchell: Okay, great. All those in favor, let it be known by saying "aye".

All: Aye.

Mitchell: The ayes have it.

Mayfield: Any opposed?

Mitchell: No opposed. Vi and Ed said they were in favor of it too.

Harrington: Mr. Chair, if I could just say thank you to Nancy and her team for all of their hard work on this in addition to the partners and stakeholders.

MITCHELL: Any CBI staff members here? Will you all please stand? Thank you all for your work. Item number two?

AGENDA ITEM FUTURE MEETINGS

Kimble: Those are future meeting topics on your agenda. We do plan on bringing an update on Eastland Mall redevelopment. Mr. Mumford, it is still scheduled for June 27th?

Mumford: Yes sir.

Kimble: It will be a dinner briefing to Council. We thought we would bring that to full Council, still keep it referred to the Committee, but once in a while, I think it's very important as Mr. Mitchell just noted on this issue to put something in front of the full Council. So dinner briefing, updated you, getting feedback, and then it will still be in a referral to Committee, but I think we have some good movement, some good motion. Still going to take a long time for Eastland to finally get going and build out, but I think we have some good ideas and good information to share with you on June 27th, some of the work that has been done by an architect from Chile that came and what we might be able to do to partner with some of the eastside and try and bring cohesiveness to the eastside as we move forward. That will be part of your June 27th dinner briefing.

So your last item, June 9th, there are many conflicts in the schedule that many of you have referenced to us and to Angela and to Meg so it doesn't appear that June 9th is a doable meeting. We were going to have to have one meeting in June for Pearle Park, but yesterday and late last week, we learned that the County is still having some negotiations on the land. There's a lot of moving parts in Pearle Park. It involves the Housing Authority, the County and the Park and Recreation Commission who's taking a vote now to support the reconfigured park. The County Commissioners have to have it go to their Economic Development Committee, and we want all of that to happen before it comes back to this Committee

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because the park is a central piece. If the County doesn't agree with what the park is going to be, there is no sense in moving forward so we are doing it on a step by step basis. Pearle Park, we don't think, is going to need any Committee action and recommendation and discussion in June. It's liable to be in July or later. We will stay in touch with the Committee over the June, July, August timeframe. A lot of times the Council Committees take off the months of July and August but I think Pearle Park is going to require at least one meeting over the summer. We can schedule that at a time when it is convenient to your calendars that works for everybody.

Mitchell: I guess I will be in favor of the Committee taking June off considering we don't have anything right now.

Kimble: That's correct.

Mitchell: I am out of town on June 9th. I know Julie is out of town.

Kimble: You have Town Hall day. You have the Chamber trip to Miami for those that are attending. You have a lot of activities that are already scheduled in June where you are going to be together talking.

Mitchell: We have the NLC Board of Directors. Let's look at August because I think July would be a tough month with vacation as well.

Eiselt: I can do July, maybe the third or fourth week.

Kimble: We will chart the progress of Pearle Park and if we see that it is getting close to needing a conversation and then poll you and make sure that we can get at least four Committee Members if you are going to hear Pearle Park. I would not want to go with just three. It's that important of a project and we need your voice to weigh in with us before we take it to Council.

Mitchell: My schedule is almost like Julie's because I know the first two weeks of July is crazy, the latter part of July.

Kimble: Potentially the last week in July might be something that we could work with but we'll check later when we know where Pearle Park is. That is pretty much it from staff.

Mitchell: Interns, can you tell us what schools you represent? I am always intrigued.

Michelle Cheng: I go to UNC Chapel Hill and I will be a senior.

Mitchell: Alright Tarheels!

Eiselt: Nice.

Deirdre Austin: I'm a rising sophomore at Georgetown University.

Mitchell: Georgetown. Go Warriors!

Tucker Smith: I go to Furman and I will be a junior.

Mitchell: Oh, Pelicans. Any other interns? Anyone who wish they were young and still an intern? I think that would be all of us. Take advantage of this now.

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Mayfield: Take advantage and make sure you all collect a lot of business cards from every department that you visit. Because that may very well come in handy. Just as an example, my intern from last year who was a senior in high school, where she is now in her first year at UNC Chapel Hill, she is now interning at the Airport. Those relationships, when you think about it, she had not even started college. She thought she wanted to go into political science and so it was an opportunity for her to come in my office, working about eight weeks to say, okay this is what it really looks like to get what you need in that book.

Kimble: She is flying high.

Mayfield: Exactly, so all of that said, take advantage of every opportunity you can during this internship.

Mitchell: My good friend here with M&M Bank, glad to have you back in Charlotte Rusty. I know you have been in the Raleigh-Durham market. Glad to have you back my friend.

Rusty: Glad to be back and if I can help you guys, let me know.

Mayfield: I got some stuff. I still need the grocery store on West Boulevard so I have some things you can work on.

Mitchell: If there's nothing else, this meeting is adjourned. Everybody be safe and have a nice Memorial holiday.

Meeting adjourned at 1:32p.m.

City Council
Economic Development & Global Competitiveness Committee

Thursday, May 26, 2016 at 1:00pm
Room CH-14

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

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. Charlotte Business INclusion (CBI) Policy Amendments – 45 minutes

Staff: Nancy Rosado, Management & Financial Services

Action: Staff will present proposed amendments to the Charlotte Business INclusion Policy and receive input and support from the Committee on the process for implementing any appropriate changes.

II. Future Meeting Topics – 5 minutes

Staff: Ron Kimble, City Manager's Office

Topics	Meeting Date	Lead Department
Eastland Mall Redevelopment	On-going as needed	Neighborhood & Business Services
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
Amateur Sports Development at Bojangles Coliseum/Ovens Auditorium	Future discussions (TBD)	Neighborhood & Business Services
Applied Innovation Corridor Strategy & Planning	Discussions (TBD)	Neighborhood & Business Services
Pearle Park	Discussions (TBD)	City Manager's Office
Talent Pipeline (apprenticeship and pre-apprenticeship)	Discussions (TBD)	Neighborhood & Business Services
Local Hiring Initiative Using Anchor Institutions and Economic Inclusion (referred by CM Howard on 11-23-15)	Discussions (TBD)	Neighborhood & Business Services

III. NEXT DATE: Thursday, June 9, 2016 at 12:00pm, Room CH-14 (alternative date and time TBD)



Proposed CBI Policy Amendments



Economic Development & Global Competitiveness Committee Meeting
May 26, 2016



Agenda

- **Purpose**
 - Receive input on proposed CBI Policy amendments and the process for implementing any changes.
- **CBI Policy**
 - Authority to Amend or Modify Program
- **CBI Policy Amendments for Consideration**
 1. MWSBE Geographic Eligibility Requirement
 2. SBE 12 Months in Business Requirement
 3. MWSBE Subcontracting Goal Requirement
 4. Other Administrative Amendments
- **Next Steps**



CBI Policy



Who has authority to amend the CBI Policy?

- City Council adopted the CBI Policy in April 2013.
- Policy provides City Manager authority to amend the CBI Program, consistent with the overall purpose and intent of the council-adopted policy.
- Program Manager has authority to modify forms, documentation and program requirements.



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CBI Policy Amendments for Consideration

1. Policy Amendment: Redefine "Significant Business Presence"

- Participation in CBI Program currently requires MWSBE firms have a "Significant Business Presence" in the Charlotte Combined Statistical Area (CSA).
- Council has defined "Significant Business Presence" as the firm being headquartered in the CSA.
- Consideration is to eliminate headquarters requirement and redefine to allow MWSBE firms with an office (physical location, not a PO Box) in the CSA to participate.

CBI Advisory Council supports this policy amendment.

3



MWSBE Geographic Eligibility Considerations

		
		
		
		
	<p><u>Current CBI Policy</u> Firms headquartered in the Charlotte CSA.</p>	<p><u>Alternative Approach</u> Eliminate headquarters requirement and redefine "significant business presence" to include firms with an office in the CSA.</p>
Comparison to 2011 Disparity Study relevant market	<ul style="list-style-type: none"> • Smaller pool of MWSBE vendors to perform on City contracts. • Inconsistent with MWBE availability documented in the City's Disparity Study. 	<ul style="list-style-type: none"> • Larger pool of MWSBE vendors to perform on City contracts. • Consistent with MWBE availability analysis utilized in Disparity Studies.
Overall MWSBE Utilization	More limited MWSBE utilization.	Expanded MWSBE utilization.

4



CBI Policy Amendments for Consideration

2. Policy Amendment: Remove "actively in business" requirement

- Currently to obtain SBE certification firms must demonstrate that they have been actively in business for a minimum of 12 months.
- Consideration is to remove "actively in business" eligibility requirement for SBE certification.

CBI Advisory Council supports this policy amendment.





"Actively in Business" Considerations



- The City's SBE certification does not "qualify" that a firm can do the work they are seeking to perform, but rather certifies that the eligible owners/firm:
 - Meet the City's definition of a Small Business Enterprise.
 - Have the appropriate professional licenses (if required), work experiences, and equipment.
 - Is a for-profit enterprise headquartered in the Charlotte CSA.
- Removing the one year requirement will be in line with the State's Historically Underutilized Business (MWBE) certification process, which does not consider a firm's length of time in business for certification.

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CBI Policy Amendments for Consideration

3. Policy Amendment: Allow MWSBEs to Count Their Work as a Prime Towards Subcontracting Goals

- CBI Policy currently requires that all firms bidding as Primes, regardless of certification, meet established MWSBE subcontracting goals.
- Consideration is to allow MWSBE Primes to count their work towards MWSBE subcontracting goals within the following thresholds:
 - Construction contracts under \$500,000
 - Services contracts under \$200,000

Metrolina Minority Contractors Association (MMCA) and Hispanic Contractors Association of the Carolinas (HCAC) both support this policy amendment.

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Meeting MWSBE Subcontracting Goals Considerations



- MWSBE certified bidders have requested the City allow certified firms to count the work they will perform on a contract towards meeting MWSBE subcontracting goals.



- The change will provide opportunities for MWSBEs to grow capacity and move from a subcontractor to a Prime vendor.



- A review of the following peer programs revealed that others already allow MWSBEs to count their work towards subcontracting goals.

- Denver, Durham, and NC Department of Transportation (DBE Program)



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CBI Policy Amendments for Consideration

4. Other Administrative Amendments

- Expedite the appeal process by removing the Department Director level hearing and send appeals directly to the City Manager's Office for improved customer service.
- Incorporate Payment Affidavit Policy into CBI Policy to ensure consistent citywide tracking and reporting of subcontractor payments.
- Addition of language to clarify requirements for quick pay commitments and instituting liquidated damages for violations.
- Non-material technical edits to clean-up and/or clarify policy language.

9



Next Steps

- Does the ED&GC Committee support the proposed CBI Policy amendments?
- If yes, what process does the ED&GC Committee recommend for implementing the proposed amendments?
 - Take to full City Council for a vote.
 - Allow City Manager to implement under current authority with pre-implementation notification to full Council.

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Proposed CBI Policy Amendments



Economic Development & Global Competitiveness Committee Meeting

May 26, 2016

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Appendix: CBI Geographic Area

