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INFORMATION:

August 4 – National Night Out 2015

Staff Resource: Rob Tufano, CMPD, 704-336-7313, rtufano@cmpd.org

National Night Out is an annual event where communities come together to emphasize their desire to build safe neighborhoods. This year's National Night Out is Tuesday August, 4, 2015.

The attached spreadsheet, provided by CMPD, contains details on nearly one hundred National Night Out events being held across the community. Mayor and Council are invited to participate in these events. If any additional events are announced before August 4, Council will receive an updated list from the Police Department.



NNO Events.pdf

Also attached is a Mayoral proclamation recognizing National Night Out that can be read by Council members at events they attend.



National Night Out
Proclamation 2015.pc

Semi-Annual Report on Disposal of Surplus Personal Property Valued at Less Than \$30,000

Staff Resources: Robert Campbell, M&FS, 704-336-7905, rcampbell@charlottenc.gov

Kay Elmore, M&FS, 704-336-2524, [kelmore@charlottenc.gov](mailto:kelmores@charlottenc.gov)

Finance - Procurement Management manages the disposal of the City's end-of-life and surplus property through the Asset Recovery & Disposal program. This program was recently realigned from Shared Services to Management & Financial Services, with delegation of authority given to the Financial Controller. The Asset Recovery & Disposal program seeks to maximize the value of end-of-life property by employing different disposal strategies, which vary depending upon the asset type and condition. One of the disposal tools includes allowing the declaration of single items or groups of personal property items valued at \$30,000 or less as surplus with disposal through a competitive process. This authority was granted by City Council and provides for a semi-annual reporting of all property sold under this authority. The attached document details the property sold or exchanged, to whom it was sold, or with whom it was exchanged, and the amount of money or other consideration received for each sale or exchange. Property disposed of by this method for the period 1/1/2015 through 6/30/2015 is listed.



ARD Report.pdf

ATTACHMENTS:

City Council Follow-Up Report:



29--July.pdf

- Towing Contracts and Services
- Citizens' Forum – Time Warner Cable Concerns
- City Manager's Report – Charlotte Fire Announcement

June 11 Economic Development & Global Competitiveness Committee Summary



EDSummary6-11-15.
pdf

CMPD Division	Beat	Time	Neighborhood	Address	Est Attendance	Event Planner	Contact Info	Submitted by
Central	RA1	1800-2000	Orchard Park/Victoria Square	329 N. Irwin Ave	100			Officer Simpson
Eastway	RA1	1800-2000	Plaza Shamrock	2541 Elkwood Circle		Simone Smith	704-858-4761	Officer Reese
Eastway	RA1	1800	Belmont/Villa Heights	Progress Park				Officer Reese
Eastway	RA1	1800-2000	Country Club Heights/Palm Springs	Shamrock Park				Officer Reese
Eastway	RA2			Dunlavin Way	100	Cristian Angel	704-536-5208	Online
Eastway	RA3	1800-2000	Winterfield	3514 Rosehaven Dr		Diane Langevin	704-536-7809	Officer Propst
Eastway	RA3		Glenlea Park	4957 Albemarle Rd		Cynthia Smith	704-531-6822	Online
Freedom	RA1	1600-1800	Southern Comfort Inn	Tuckaseegee Rd				Officer Nicholson
Freedom	RA1	1800-2100	Tuckaseegee Rec Center	Tuckaseegee Rd				Officer Nicholson
Freedom	RA2	1900-2000	Coulwood	409 Coulwood Dr	40-50	Jill Robbins	704-651-5182	Officer Cupples
Freedom	RA2		Forest Pawtucket	6218 Raindance Cr		Mandie Eldred	704-213-8803	Online
Freedom	RA3	1900-2100	Westerly Hills	2200 Ashley Rd	100-150	Gloria Dukes	704-277-5730	Officer Humphrey
Hickory Grove	RA1	1700-1900	Wellington Farms Apartments	4700 Twisted Oaks Rd	50-150	Claudia Padilla	704-531-7000	Online
Hickory Grove	RA2		Grove Park/Ravenswood	6750 Terry Ln	150-200			Officer Silcox
Hickory Grove	RA2		Kimmerly Woods Apartments	4908 Endolwood	15-20			Officer Silcox
Hickory Grove	RA2		The Preserve	7259 Point Lake Rd	15-20			Officer Silcox
Hickory Grove	RA2		Ravenwood	7009 Leesburg Rd		Augie Beasley	704-536-9188	Online
Hickory Grove	RA2		Rose Croft	6145 Meadow Rose Ln		Sherry Lewis	794-779-5199	Online
Hickory Grove	RA2		Boulder Creek	2739 Bramble Ridge Ct		Kate Amsbaugh	612-703-0333	Online
Hickory Grove	RA3	1900-2030	McCarron	7707 McCarron Way	100	Justin Reimers	980-722-5898	Online
Hickory Grove	RA3		Reedy Creek Plantation	8211 Fox Swamp Rd		Barbara Conrad	704-566-0155	Online
Hickory Grove	RA3		Bradford Farms	7316 Scarlett Runner Dr		Eve Mucci	704-545-8133	Online
Independence	RA1	1700-1800	Hanover Landing	5920 Monroe Rd	30-50	Lauren Gibson	704-535-0867	Online
Independence	RA3	1800-2100	Easthaven	4501 Dawnwood Dr	60-100	David Jones	704-502-4820	Online
Metro	RA1	1630-2030	Lockwood	300 block of Sylvania				Officer McTigue
Metro	RA1	1830-2045	Druid Hills	937 Rodey Ave				Officer McTigue
Metro	RA1		Park at Oaklawn					Officer McTigue
Metro	RA1	1900-2030	Graham Heights	Walls Memorial Church				Officer McTigue
Metro	RA1		Brightwalk					Officer McTigue
Metro	RA2	1830-2030	McCrorey Heights	1615 Washington Ave		Natalie Beard	314-495-4508	Officer Hudson
Metro	RA2	1830-2030	Smallwood/Biddleville/Seversville	2850 Zebulon Ave		Ashley Curtis	704-968-1005	Officer Hudson
Metro	RA2	1830-2030	Lincoln Heights	1800 Catherine Simmons Ave		Thelma Byers-Bailey	540-850-4795	Officer Hudson
Metro	RA2		Oaklawn Park	1513 Russell Ave		William Hughes	704-299-4420	Online
North	RA1	1900	Wedgewood North			Peggy Reel	psp9266@yahoo.com	Officer Lewis
North	RA1	1800-2100	Wedgewood @ Whitney	7949 Ambleside Dr		Sarah Chambers	704-236-6746	Officer Lewis
North	RA1	1900-2030	Spring Park			Charlotte Thompson	marydee47@aol.com	Officer Lewis
North	RA1	1800-2100	Davis Lake	9000 Davis Lake Pkwy		Megan Morsillo	704-596-6958	Officer Lewis
North	RA1	1900-2100	The Woodlands			Jacqueline Palmer	jpalmer27@carolina.rr.com	Officer Lewis
North	RA1	2 hours	Hampton Place			Cassandra	lyteeyez68@yahoo.com	Officer Lewis
North	RA1	1900-2100	McGinnis Village			Hayley Woodle	hayleywoodle@gmail.com	Officer Lewis
North	RA1	1900-2000	Deer Cross			Susan Evilsizer	sevilsizer@carolina.rr.com	Officer Lewis
North	RA1	1900-2100	McIntyre	9736 Bayview Pkwy	15-20	Damien	d_huck24@yahoo.com	Officer Lewis
North	RA1		Ashbury Place	9411 Swallowtail Ln		Yazhmin Price	980-275-0151	Online
North	RA1		Sweetbriar	7906 Sweet Grove Ct		Robin Klaver	704-516-4182	Online
North	RA2		Peachtree Estates	New Life Rd/Hendricks Chapel		Shinita Horton	704-724-6908	Officer Kowaleski
North	RA2		Northwoods Forest	1401 Bear Mountain Rd		Celcia Gray		Officer Kowaleski
North	RA2	1900-2030	Swearngan Ridge	1101 Swearngan Ridge Ct	Small	Gerald Rand		Officer Kowaleski
North	RA2		Cedar Mill	9769 Turning Wheel Dr		Domingo Balderamos		Officer Kowaleski
North	RA2		Greirs Grove	3425 Braden Dr		Felicia Thompson	704-281-5286	Officer Kowaleski
North	RA2		Meeting Place Church	600 Peachtree Rd		Vincent Riley	704-393-8116	Officer Kowaleski

North	RA3		Derita Tanglewood	4407 Valeview Ln		Valli Geter	704-712-1619	Online
N. Tryon	RA1	1700-2000	Timber Ridge Apartments	7123 Barrington Dr	101	Tanista Dendy	704-535-2613	Online
N. Tryon	RA1		Shannon Park	5216 Adams Dr		Mable Hall	704-567-8296	Online
N. Tryon	RA3		Hidden Valley	6409 Hidden Forest Dr		Saundra Jackson	704-597-1109	Online
Providence	RA2	1800-2000	Anthem	Pool, Ross Moore Ave	30-60	Donna Price	828-228-3818	Officer Padgett
Providence	RA2		Oakhurst	Doris and Elder Ave				Officer Padgett
Providence	RA2		Amity Gardens	Dudly Ave		Amy Harris	704-906-8352	Officer Padgett
Providence	RA2	1730-1930	Grier Heights	3424 Oak Arbor Ln	100	Tijua Robinson	240-350-0510	Online
Providence	RA2		Capstone	820 Villa Ct		Joy Harris	980-919-9209	Online
South	RA1	1900-2030	Quail View	Common Area	50	Shannon McBride	704-299-1728	Online
South	RA1	1800-2100	Calvary Church	5801 Pineville Matthews Rd	200+	Cassie Stealey	704-904-0352	Officer Jackson
South	RA2	1800-2100	Calvary Church	5801 Pineville Matthews Rd	200+	Cassie Stealey	704-904-0352	Officer Jackson
South	RA3	1800-2100	Calvary Church	5801 Pineville Matthews Rd	200+	Cassie Stealey	704-904-0352	Officer Jackson
South	RA3		Matthews Ridge	3427 Darlington Rd		Kathy Woyciechowski	craftykathy4852@windstream.net	Officer Russell
Steele Creek	RA1		Montclair South	1021 Carysbrook Ln		Al Peace	704-527-5276	Online
Steele Creek	RA1	1900-2100	Ashford Place Apartments	905 Pineville Point Ave	50-100	Ramone Bellagamba	917-443-9155	Online
Steele Creek	RA3	8/1 @ 1600-1900	Steelecroft Place	DeHavilland Dr		Martha Hundley	704-583-3310	Officer Frazita
Steele Creek	RA3		Wither Grove	12321 Creektree Ct		Angela Bauldree	704-905-5501	Online
University City	RA1		Stoney Creek					Officer Phelps
University City	RA1	1800-2000	Highland Creek	6616 Clarke Creek Pkwy	200+	Erin Flynn	eflynn@highlandcreek.com	Online
University City	RA1		Mill Creek	8435 Angwin Pl		Kerbi Whitaker	336-577-0049	Online
University City	RA1	1800-2000	Browne's Ferry	7201 Groveview Ct	75	Molly Hall	919-720-2940	Online
University City	RA1		Great Oaks	2207 Century Oaks Ln		Blanche Penn	704-890-4101	Online
University City	RA1		Hubbard Falls	7307 Toxaway Ln		Patricia Stasio	704-921-4891	Online
University City	RA1		Winchester	10000 White Cascade Dr		Alicia Verdun	704-756-6290	Online
University City	RA1		Ridge Road Villas	5505 Prosperity View Dr		Susan Davis	704-948-4123	Online
University City	RA1		Rolling Oaks I	12328 Heritage Hills Ln		Amy Groten	704-495-5184	Online
University City	RA1	8/8	Rockwell Park					Officer Phelps
University City	RA1	8/8	Fountaingrove	Fountaingrove Clubhouse		Clair Lane	704-236-8945	Officer Phelps
University City	RA1	8/8	Chatham					Officer Phelps
University City	RA2	8/3 @ 1900	Withrow Downs	Pool, Caprington				Officer Dodd
University City	RA2		Back Creek II	1001 E WT Harris Blvd		Gregory Phipps	704-529-2932	Online
University City	RA2		Houston Hills	11127 Silver Glen Ln		Donna Auer	516-503-3186	Online
University City	RA3	1900-2000	Old Stone Crossing	Clubhouse	100	Garry Baldwin	704-307-8878	Online
University City	RA3		Gifts of Love Delivers Gold	11532 Erwin Ridge Ave		Cassandra Townsley	347-678-5941	Online
University City	RA3		Brantley Oaks	3801 Bellingham Ln		Victoria Jenkins	704-626-9350	Online
Westover	RA1	1800-2030	West Blvd Neighborhood Coalition	1520 Clanton Rd	200+	Beverly Clark	704-281-8547	Officer Beamer
Westover	RA2		Social Committee	3402 Park S Station Blvd		Diane Prussing	704-526-5080	Online

PROCLAMATION

City of Charlotte/Mecklenburg County

WHEREAS, the National Association of Town Watch (NATW) is sponsoring a unique, nationwide crime, drug and violence prevention program on Tuesday, August 4, 2015, entitled "National Night Out"; and

WHEREAS, the "32nd Annual National Night Out" provides a unique opportunity for Charlotte and Mecklenburg County to join forces with thousands of other communities across the country in promoting cooperative, and police-community crime prevention efforts; and

WHEREAS, the City of Charlotte and Mecklenburg County plays a vital role in assisting our local police, sheriff, and fire departments' efforts in our area and is supporting "National Night Out 2015" locally; and

WHEREAS, it is essential that all citizens of Charlotte and Mecklenburg County be aware of the importance of crime prevention programs and impact that their participation can have on reducing crime, drugs and violence in our area; and

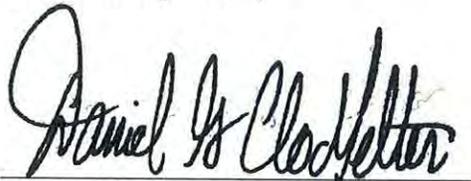
WHEREAS, police-community partnerships, neighborhood safety, awareness and cooperation are important themes of the "National Night Out" program:

NOW, THEREFORE, WE, Daniel G. Clodfelter, Mayor of Charlotte, and Trevor M. Fuller, Chairman of the Mecklenburg Board of County Commissioners, do hereby proclaim, August 4, 2015 as

"32nd ANNUAL NATIONAL NIGHT OUT"

in Charlotte and Mecklenburg County and commend its observance to all citizens.

WITNESS OUR HANDS and the official Seals of the City of Charlotte and Mecklenburg County.


Daniel G. Clodfelter, Mayor
City of Charlotte


Trevor M. Fuller, Chairman
Mecklenburg Board of
County Commissioners



List of Surplus Property disposed using resolution for disposal valued at less than \$30,000
January 1, 2015 through June 30, 2015 (fy2015)

Date Sold	Lot #	Auction #	Property Description	Sold To	Price	Site
1/29/15	132	417	city e-auction (assorted desks,misc items - 113)..lot 132..GovDeals	Richard Floyd	\$451.00	GovDeals.com
1/29/15	133	418	city e-auction (assorted file cabinets - 24)..lot 133..GovDeals	John Wade	\$1,108.00	GovDeals.com
1/29/15	134	419	city e-auction (computer keyboards,a/c cords - 330)..lot 134..GovDeals	Andrew Pretskaila	\$1,857.00	GovDeals.com
1/29/15	135	420	CMUD e-auction (compressor,valves,pumps - 13)..lot 135..GovDeals	Charles Bodin	\$2,003.00	GovDeals.com
1/29/15	136	421	city e-auction (data center computerserver racks - 6)..lot 136..GovDeals	Tom Fox	\$168.00	GovDeals.com
2/4/15	137	422	city e-auction (blower,scrubber,vacuums - 4)..lot 137..GovDeals	Pedro Kondratuk	\$301.00	GovDeals.com
2/4/15	138	423	city e-auction (light fixtures,stage lighting - 24)..lot 138 .. GovDeals	Sam Salloum	\$126.00	GovDeals.com
2/4/15	139	424	city e-auction (oven -1) ..lot 139 .. GovDeals	Marco Cevallos	\$201.00	GovDeals.com
2/4/15	140	425	city e-auction (piano,couches - 6)..lot 140 .. GovDeals	Paul Smeizer	\$40.00	GovDeals.com
2/4/15	141	426	city e-auction (stack chairs - 193)..lot 141..GovDeals	Chuck Nance	\$901.00	GovDeals.com
2/4/15	142	427	city e-auction (trash cans,ice bins - 31)..lot 142..GovDeals	Richard Floyd	\$76.00	GovDeals.com
2/4/15	143	428	city e-auction (crowd control barricades - 22)..lot 143..GovDeals	Marco Cevallos	\$903.00	GovDeals.com
3/12/15	144	429	city e-auction (assorted office furniture - 98)..lot 144..GovDeals	Fritz Vaneus	\$402.00	GovDeals.com
3/12/15	145	430	city e-auction (flashlights, RIT bags - 84)..lot 145..GovDeals	James Hensley	\$901.00	GovDeals.com
3/12/15	146	431	city e-auction (wooden lockers - 6)..lot 146..GovDeals	Tom Fox	\$36.25	GovDeals.com
3/12/15	147	432	city e-auction (bikes - 2)..lot 147..GovDeals	David Manger	\$21.00	GovDeals.com
3/12/15	148	433	city e-auction (165 gallon tank, tires, motor- 11)..lot 148..GovDeals	Steven Cullison	\$126.00	GovDeals.com
3/12/15	149	434	CMUD e-auction (pumps - 2)..lot 149..GovDeals	Vic Mullis	\$99.00	GovDeals.com
3/12/15	150	435	CMUD e-auction (motor - 1)..lot 150..GovDeals	Dwayne Heyward	\$95.00	GovDeals.com
3/30/15	151	436	city e-auction (assorted furniture, etc - 99)..lot 151..GovDeals	Ron Neary	\$126.00	GovDeals.com
3/24/15	152	437	city e-auction (file cabinets, etc. - 60)..lot 152..GovDeals	William Morris	\$352.00	GovDeals.com
3/24/15	153	438	city e-auction (wooden lockers - 18)..lot 153..GovDeals	David Keen	\$488.00	GovDeals.com
3/24/15	154	439	city e-auction (POLICE sign- 1)..lot 154..GovDeals	William Morris	\$151.00	GovDeals.com
6/3/15	155	440	CMUD e-auction (Assorted Lab Equipment - 37)..lot 155..GovDeals	Robert Brittain	\$248.47	GovDeals.com
6/3/15	156	441	city e-auction (Bid Ed lights, hoses, ladder,etc - 19)..lot 156..GovDeals	Selim Sen	\$162.00	GovDeals.com
6/3/15	157	442	city e-auction (Engine motor hoist - 1)..lot 157..GovDeals	Dwayne Heyward	\$72.00	GovDeals.com
6/3/15	159	443	CMUD e-auction (Drill press,power washer,etc - 17)..lot 159..GovDeals	Neil Snider	\$300.00	GovDeals.com
6/3/15	160	445	CMUD e-auction (bulbs,stripping machines, etc.- 79)..lot 160..GovDeals	Abraham Dassin	\$166.00	GovDeals.com
6/3/15	161	446	CMUD e-auction (Sure-lock all pro locators - 3)..lot 161..GovDeals	Deborah Batres	\$1,513.00	GovDeals.com
6/8/15	163	448	CMUD e-auction (register meter - 6 pallets)..lot 163..GovDeals	Don Jackson	\$1,308.00	GovDeals.com
6/8/15	164	449	CMUD e-auction (register meter - 6 pallets)..lot 164..GovDeals	Troy Jackson	\$1,377.67	GovDeals.com
6/10/15	165	450	CMUD e-auction (register meter - 6 pallets)..lot 165..GovDeals	Raiford Tetstone	\$1,501.00	GovDeals.com
6/10/15	166	451	CMUD e-auction (register meter - 6 pallets)..lot 166..GovDeals	Troy Jackson	\$1,477.67	GovDeals.com
6/11/15	167	452	CMUD e-auction (register meter - 7 pallets)..lot 167..GovDeals	Troy Jackson	\$1,477.67	GovDeals.com
6/8/15	168	453	city e-auction (Assorted furniture - 68)..lot 168..GovDeals	Richard Floyd	\$226.00	GovDeals.com
6/11/15	169	455	city e-auction (stage platforms - 18)..lot 169..GovDeals	Tim Lully	\$912.00	GovDeals.com
6/11/15	170	456	city e-auction (folding tables - 18)..lot 170..GovDeals	JB Preslar	\$206.00	GovDeals.com
6/11/15	171	457	CDOT e-auction (Assorted items - 68)..lot 171..GovDeals	Reggie Richardson	\$86.00	GovDeals.com
6/11/15	172	458	city e-auction (Assorted furniture - 35)..lot 172..GovDeals	Thuman Clark	\$60.00	GovDeals.com
6/11/15	173	459	city e-auction (folding chairs - 100)..lot 173..GovDeals	Felipe Martinez	\$503.00	GovDeals.com
				Total =	\$22,528.73	



CHARLOTTESM

**City Council
Follow-Up Report**

July 29, 2015

June 22, 2015 – Council Business Meeting

Towing Contracts and Services

Staff Resource: Amelia Beonde, Management & Financial Services, 704-336-3400, abeonde@charlottenc.gov

During the dinner briefing, Council asked whether the City was awarding contracts to towing companies with questionable towing practices. Council requested an update on the City's process for reviewing and rewarding towing contracts and how the City might include specific language in towing contracts, going forward, to prevent questionable towing practices.

Attached for Council's review is an update City staff included in Council-Manager Memo #52, dated July 17, on Citywide Towing Services and Predatory Towing Practices.



July 17 Item.pdf

Additionally, on Friday July 23, the City of Charlotte provided all vendors awarded Towing Services Contracts for both Division Wrecker and Fleet Towing copies of their contract(s) for signatures, along with a notification detailing the City's stance on predatory towing, and related changes to that effect within the contract documents. City staff has already received some of the towing contracts back and is working through execution of all documents this week with an intended effective date of August 1, 2015 for the new contracts.

July 27, 2015 – Council Business Meeting

Citizens' Forum - Time Warner Cable Concerns

Staff Resource: Alban Burney, City Manager's Office, 704-336-4947, aburney@charlottenc.gov

During the Citizens' Forum, constituent Ethel Ward spoke about a number of issues with regards to Time Warner Cable's customer service. Specifically, her comments focused on lost payments and the ability to speak to someone directly, and Ms. Ward requested Council's assistance.

City staff contacted Michael Tanck, Director of Governmental Relations at Time Warner Cable, regarding Ms. Ward's concerns via email on Monday evening, July 27. Mr. Tanck responded shortly thereafter ensuring that he would have someone contact Ms. Ward with a response to her concerns.

City Manager's Report – Charlotte Fire Announcement

Staff Resource: Jon Hannan, Charlotte Fire Department, 704-336-4925, jhannan@charlottenc.gov

During the meeting, the City Manager introduced the presentation from the Charlotte Fire Department (CFD) who was recently awarded a Class 1 ISO Public Protection Class designation. CFD staff has provided the following responses to Council's questions:

Will this designation affect homeowner's insurance?

Homeowner's insurance has historically been 'banded', with Classes 1, 2 and 3 banded together. Charlotte has had an ISO Public Protection Class 3 protection class since the early 1970's. Therefore, movement within the band may not result in a lower premium. While individual homeowner insurance rates are determined by several risk factors, Charlotte's ISO Class 1 rating will lead to more competition between insurance underwriters, ultimately reducing insurance premiums. Lowering the ISO rating to Class 1 is expected to have a larger impact on commercial properties that are not rated individually by their insurance carriers.

Request: Follow up with Charlotte-Mecklenburg Schools (CMS) to Engage Students in the Project LIFT Zone on Camp Ignite

- CFD has worked with CMS Project LIFT coordinators, and the 2015 Camp Ignite includes students from the LIFT program. Enrollment capacity has been increased from 24 to 30 students to help meet the higher than expected interest.
- CFD has been working with CMS to expand the high school fire program into a magnet program. The Academy of Service and Protection incorporates law enforcement, fire protection, and emergency medicine curriculums under a full magnet, where transportation options and extra-curricular programs are included. This increases accessibility for all students in CMS to the Academy and, through partnerships with CPCC and UNCC, opens pathways to higher education. At this time, CMS anticipates the Academy of Service and Protection magnet will be at either Hawthorne High School or the Marie G Davis Academy.

What is the lowest ISO class rating and how often is the rating measured?

- Ten is the worst ISO class rating, one is the best/superior. The ISO estimates that they will re-evaluate all Public Protection Districts within five years. Charlotte was last rated by the ISO in 1972 and has graduated from a class rating of three to one in a four year period.
- Charlotte's Class 1 rating is the culmination of years of strategic planning and service delivery initiatives. Key among these activities are Charlotte's staffing and apparatus deployment model and actual incident response performance, fire prevention, investigation, public education activities, fire communications and information technology implementation. Charlotte Water played a significant role in achieving the ISO Class 1 rating. Charlotte Water's water delivery capacity and fire hydrant reliability ranked superior in that area of the grading scale.

Citywide Towing Services and Predatory Towing Practices Update

Staff Resource: Amelia Beonde, Management & Financial Services, Finance – Procurement Management, 704-336-3400, abeonde@charlottenc.gov

Following a request from Councilwoman Mayfield at the June 22, 2015 Council Meeting, Procurement Management has worked with representatives from 311 and CMPD to review available data related to towing services incidents reported through the City's Emerald or KBCops systems. Our staff's exhaustive search of internal and external sources has identified only a small number of reported incidences; primarily related to private companies neither currently under City contract, nor awarded contracts by Council on June 22nd. In order to ensure the City's concerns are appropriately addressed in the new contracts, Procurement Management has collaborated with the City Attorney's Office to incorporate specific contractual language to both define predatory towing practices and prohibit City towing vendors from engaging in these practices. A notification emphasizing activities that are prohibited by the contract and the consequences for violating these restrictions (to include potential contract termination) will be provided to the awarded vendors when they are presented their contracts for execution.

COMMITTEE AGENDA TOPICS

I. Subject: Applied Innovation Corridor Update

Action: Staff will provide the Committee with an update on the corridor's planning and identified projects to be presented at an upcoming Council Business Meeting. No action required.

II. Subject: Business Investment Grant Update

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

COMMITTEE INFORMATION

Present: Michael Barnes, Vi Lyles, Al Austin, Claire Fallon and LaWana Mayfield
Time: 2:00 p.m. – 3:30 p.m.

ATTACHMENTS

1. Applied Innovation Corridor Presentation
2. Business Investment Grant Program Presentation

DISCUSSION HIGHLIGHTS

Chairman Barnes welcomed everyone to the meeting and asked for introductions. We have three items, two very key items on our agenda today and another related primarily to scheduling and to kick off I will begin with introductions. The first item on our agenda today is the Applied Innovation Corridor Update related to the corridor; Mr. Deputy City Manager.

I. Applied Innovation Corridor

Kimble: First of all, thank you for adjusting all of your calendars; we had a June 4th and June 18th and we put it all on June 11th so thank you for adjusting your calendars. We have two items we want to cover today that have some substance to them, the Applied Innovation Corridor, give you an update on things that are happening in that area. This is an update; we are not going to ask for any action. We will be bringing this back to you periodically and the Council because it's a very important area of the City, one that you have placed emphasis on and focus. Ed McKinney and Tim Greene are here to present that, mainly Ed, but Tim is leading some of the effort on the infrastructure side and the CNIP team so we have both of them here today to present Applied Innovation Corridor. Our second one is our Business Investment Grant update. You gave us some direction on how to proceed and we are coming back with some more conversation with you to see where we might want to make some recommended changes to our Business Investment Grant.

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McKinney: What I will do is provide a little bit of context and background from where we had been on the Applied Innovation Corridor work that we did as recently as a year ago on the ULI Advisory Panel and then a lot of activity that is happening now with the Community Investment Planning Team. As you know, the vision for this is the linking of the unique assets we have on this corridor all the way from UNC-Charlotte to uptown and to South End. The North End is a big component of that and we will talk about that as its focus in the community investment work that is happening so we will talk about the details of that. The intent there is to take advantage of that unique industry cluster to get to innovative job growth and investment that could happen in this corridor related to those assets that we have along this line and corridor. A number of things have been built upon this really came from the 2020 Plan in Uptown that was built upon and we've added and kind of gone into more depth in that about a year ago when we brought in the ULI Advisory Services Panel and got into the greater level of detail and discussion about what the opportunity really is and how that might begin to shape the investment and the targeting of economic development and growth within the corridor. Then really what we want to talk about today is what we've been doing since then which is taking the Community Investment planning efforts and really focusing now on all of the recommendations from the ULI Panel and begin to apply how we might think about public investment to shape those that long-term vision.

The Community Investment Plan, the focus here in the Innovation Corridor, particularly the North End is how to most effectively use and really incentivize development through this investment that we have in front of us. We have \$29 million targeted over three bond cycles, the most recent one, the 2014 has already been approved as the first set of focus in terms of projects and investments and some of those projects include some streetscape, street connectivity and infrastructure projects that would begin to support the long-term investment and plan. What I would like to do is begin to show you the context of this, layer on some of the project thinking, show you some of the complicated nature of this and kind of what the mission of the effort is now to sort out, prioritize and figure out what we should be focusing on. This is the focus of the Community Investment Plan effort, geography that is really centered on a set of corridors, the North Davidson corridor, North Tryon Street, Graham Street, Statesville Avenue, I-277, I-77 and I-85 kind of border it so it is really centered on those corridors that extend from Uptown. A couple of highlights geographically to orient you; here is the way that our recent investment and the recent opening of the Fire Department Headquarters and the future Joint Communication Center. You've got the Amtrak Station that exists now on North Tryon, familiar with Bright Walk, the Statesville Avenue landfill so to give you just the context, a set of historic neighborhoods that sit within the context of industrial lands and rail access.

There are a number of things that are happening already in the works and obviously with the construction and extension of the Blue Line there will be stations, Parkwood, 25th Street, 36th Street, the Greenway Extension existing and the future extension of the Little Sugar Creek Greenway on the other edge of this the Irwin Creek Greenway sort of borders on both sides of the study area through the center. The future potential for the Red Line Transit and its connection through the heart of this district and then another project sort of separate from the Community Investment is the North Tryon Streetscape, the potential for that one way pair road redesign within the corridor.

This map will start to get complicated, but it shows you really what the purpose of the work we are doing now is to kind of sort out the priorities, is beginning to layer on the kinds of investments that we believe would be part of the long-term vision. Some of these include just updating the infrastructure,

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streetscape and connectivity to make them more pedestrian-friendly and provide better connections to the neighborhood, better connections from Uptown into this district to just enhancing those streetscapes and those street corridors. A good example is the Matheson Avenue Bridge; that is one of the few east/west connections that ties directly to the stations that we are building the light rail so making sure that we have the ability to get people to and from that from an east/west standpoint. It is a little hard to read but that pink color is a whole set of other street connections, some of which are intersections, realignments, some of which are new streets. Again the notion that through some of the redevelopment and some of the industrial lands that sit there now there is an opportunity to begin to rebuild that street network to provide better connectivity and think about one of the prominent things that has come through the public is the east/west connector and making sure we've got good connections from Uptown. One other in just some general sense and these are conversations that both kind of draw from the recommendation from the ULI Study, but also things that we are hearing in the public is just making sure that we've got a clear identity and some real gateway opportunities and some ability to address the perception and connection between Uptown and North End so some key gateways and sort of mitigating the barrier of I-277. Those are just broad brush a few of them to give you a sense and you can begin to see that complicated pattern of projects. What we are doing now is trying to sort all of that out using the public process, understanding where the market is. The team has employed a market analyst to kind of understand where the market is, what development opportunities are out there; let's talk to key stakeholders, let's talk to the public through a set of workshops to begin prioritize what projects makes sense and what are the most important things from the community perspective.

Again, a pretty exhausted list touching all the neighborhoods, touching many of the key agencies, key stakeholders who provide community services, providing land owners and developers within the area so we have a broad sense of the context and the issues and we are beginning to sort through what those key things are. What is interesting about this is a lot of them really tie to what we've heard from our experts at the ULI Panel and some of their recommendations so the notion of retail, food and grocery; those are things that we heard as opportunities from the ULI Panel. East/West connectivity was again a big thing that is connected throughout and we are hearing that from the public and from the stakeholders. The pedestrian connections, green space and recreational space again that was something that came from the ULI Study and we are kind of reconfirming that with the community discussion. Just the starting of that we are using this input to really shape how we begin to prioritize and think about what the right investment is.

The next steps are to take all those projects and some new ones that we are hearing through this public process and begin to prioritize; do they meet our goals, are they technically feasible, what is the cost benefit, are there opportunities to tie them to partnerships with development as it comes in. The strategy now is we've got lots of projects; we've got a lot of desires and needs in the area and let's match and prioritize those in a way that really ties to where we think private investment will be. It ties to the longer term vision of job growth and kind of the innovative vision for the corridor in the long-term. That is a quick broad brush and we will be glad to answer some more detailed questions about the process and the projects.

Barnes: I appreciate the substantive nature of the update. We had talked about intentionality and I can tell we are putting a lot of intentional thought into it which is very encouraging.

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Lyles: I have a question on the existing plans slide that you had; it has got existing plans. I know the Blue Line is funded; I know the Red Line is not. Out of this, what would be the funded projects that are in place that you include in the \$29 million, or recommended to be funded?

Greene: These are separate from the \$29 million.

Lyles: I know, but out of the number of major projects on here what is actually in the pipeline for funding as opposed to being in the Plan. What is funded already?

Greene: The North Tryon Street one-way curve is the first one shown in blue and it is funded \$13 million and it is in the real estate acquisition phase. I believe the tentative schedule for construction is about 2017. Then of course the Cross Charlotte Trail is the one in green; that is included in the CIP at \$35 million. They are following the similar process that we are with the market analysis and community engagement as part of that Cross Charlotte Trail. Of course the Blue Line, you are already aware of.

Lyles: In addition to that when we are talking about timeframe for the work that you are doing, what is the timeframe for the next steps?

Greene: In the previous slide you saw there are three funding years in bonds, the first one of course 2014 where we got \$12.5 million; our process of course is as soon as we finish this prioritization and ranking of all these projects is to start the planning and design work for those projects. So five to seven years would be the plan and design and construction process. Of course on the size, complexity and any other environmental or real estate issues that might pop up in the process. That is the key for what we are doing now is prioritizing and ranking those projects to try to figure out where we start first, what is our biggest bang for the buck.

Lyles: I guess the final thing, is this also going to include a land use plan in it or is the zoning anticipated to remain the same as it now?

McKinney: I would say it is a by-product of the community investment efforts that we are doing now and assuming the by-product is some of the recommendations that came through the ULI Panel are things that are separate from this community investment so absolutely potential changes to land use or zoning to achieve the goals that we have or things that would be separate from this process but would be things that the Planning Department would absolutely take on as implementation setups.

Lyles: And timeframe?

McKinney: We do not have a timeframe on that; one of the goals out of this would be to have a game plan and what the public investment is help us target where we really think the priorities are in terms of making sure that we've set in place the right land use zoning policies to achieve the development that we want. Part of that comes from the discussions we are having now with developers and with the community about what the long term vision is. A key recommendation will be what has to happen next from a policy standpoint and the Planning Department will take that on and establish a timeframe for that.

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Lyles: I think one of the things we are struggling with is as we have large national investors come in, looking at the growth in our communities, looking at our infill projects, this type of area where people have lived and we've had very affordable neighborhoods, very solid pieces of land with manufacturing small businesses that we will do the plan and they will be acquiring the property and what does that mean if we lose places like Tryon Hills and we lose places like Lockwood and continuing over I think that the portions that border Bright Walk and Genesis Park and Greenville. They might have some change in gentrification but not nearly the opportunity for wholesale changes as you would see on the southern side of Graham Street and Tryon so I don't know there is probably not an answer but I think when we talk about the timeframe for land uses, we really do have to worry about people coming in and thinking this is the next best place to buy property and change the character of the community. It is something I think we need to think about in terms of our timeframe on the land use.

Mayfield: Mine is more of a statement opposed to a question probably in line with Councilmember Lyles. I really hope they will take advantage of the lessons learned in South End because as South End is continuing to grow we are now pricing out a large segment of the community and the community isn't as diverse as we once thought. As we are creating these plans, I would like for us to really look at how we are on our end designating land to make sure that we have as diverse opportunities of economic development and growth as possible opposed to a lot of displacement because we've seen it now over a number of years and the reality is we can't keep displacing entire communities because we are going to run out of places to place them into. I hope we will really put a conscious effort on the front end to look at lessons learned and some things that we probably could have addressed a lot quicker in the process in South End.

Barnes: Let me ask you guys this, does that come down to an issue of market forces versus government intervention? I think with respect to any large infrastructure project that the City does there will be market forces that create that change. It is going to happen along the Gold Line and it is happening along parts of the Blue Line. It would happen within this corridor and it will happen along the Cross Road Trail; it will happen wherever we are investing large amounts of money to change the infrastructure and change the environment. What do you all think would be the appropriate role of the City in preventing that from happening? I think it always happens once you bring in private investment, combine it with the public investment, there is going to be change.

Lyles: I agree and I don't know that I have an answer but I don't think we are the only community dealing with these kinds of issues so a little bit of research into what you do and what are other communities are doing; there is public housing out in that area. That is the same thing that is really keeping Cherry affordable right now; you've got publicly-owned affordable housing there, you've got other parcels of land that are residual sometimes and we own that and what we decide to do with it can often influence what goes on. I don't have an answer to what happens when market forces take advantage of public dollars and investment, but I think we are not the only community that is dealing with this and we ought to look at some of the options that I think the HAND Committee, under Ms. Mayfield's request has started it. I think it is not a singular yes or no, I think it is what can you do and what are you willing to do and I don't have an answer for which it is right now.

Mumford: If I might add, what I'm hearing is there needs to be a thoughtful balance to this because if I go back three years ago, your direction the premise for the CIP was to make sure that we had growth in other parts of the community and value instead of that southern wedge. What I'm hearing

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is let's not just focus on that to the detriment of people that are there and we have this issue of everybody thinking you doubt. I'm hearing a balance of those things and I just wanted to test that as we move forward if that is accurate.

Barnes: I think that is fair.

Lyles: I think that is fair, a balance and what are our choices and some research and how does this hit with timing. That is one of the things I think that we are really considering that as we talk about this today someone is picking it up and putting it on their radar screen and moving forward. I guess the thing that I think about. How many of you have been to Sarasota, Florida? You know they have this beautiful small town, very expensive housing inside the city and they have these huge hospitality industries and they have now got to subsidize a bus system to bring workers in because no one else that lives in Sarasota works in the jobs that are available there. When we talk about the Innovation Corridor, it is not just market forces it's what kind of talent and what costs are we willing to put into roads and transportation when we can have people that can walk or bike to work. Again, I've always said if we can get people that they can afford to live with one car instead of three, just to go to work that does a whole lot for our air quality, our environment and the type of community that we are. I think it is not only balance it is timing and speculation.

Mayfield: Okay, Ms. Lyles we are not going to pick at people who have three cars, but I definitely agree because the market forces just as an example, on the corner of West Boulevard and Remount, market forces said City West Commons would be a good idea; it wasn't. The market told them we going to make this investment and this will be a good idea so I think we, as government, do definitely have a role at the front end to have a little more say so about that ultimate design when we are looking at how we are making investments and who is taking advantage of those investments to the best of our ability. Impact and intent; the intent of growth should not be an impact of mass displacement.

McKinney: What I should have said earlier too is we do have a plan in place. There is a North Tryon Plan in place that envisions housing in the neighborhoods and strengthening those neighborhoods and doing that in a way that is supportive of development in the right places. The exercise now is giving this influx and focus of ours from a public standpoint making sure that we look at that plan and test it and make sure the lines are clear; where do we need to protect for and make part of the vision the right balance and mix of housing and protect those neighborhood edges and be intentional clear about where we want development, what kind of development and where we don't want certain types of development. There is a plan in place, we just need to make sure that the new thinking we are doing now, we need to test it and see if there anything we need to do to make sure we are strengthening those long-term policy decisions.

Kimble: We are all interested in this becoming our entrepreneurial innovation new way of thinking and we are trying to do, as Mr. Mumford and Mr. McKinney and some of you have said, how we preserve existing neighborhoods. How do we improve even the housing stock in those existing neighborhoods and not have the housing go away? We need to add more housing in the area because live, work and play are all going to occur in a close proximity in this geography and how do we make some of that new housing that comes on board affordable so that people can live and work near where they live and where they work, they can walk to work, they can bike to work, they can take bus to

work, but they can live, work and play all in an area called the Applied Innovation Corridor. It will be a combination of existing people that live there, staying there and new folks coming in because this will be an attractive entrepreneurial and innovation district if we do it right and I think we are going to do it right and we need to come to you quite often to test things and make sure that we are on the right page and headed in the right direction. It was good to get some feedback; we hear it and as we test it with people and go out in the neighborhoods and ask for their feedback and input that is some of the things we need to be listening for. Let people stay there that are there, improve existing neighborhoods, find ways of improving the housing stock that is there and then add new good housing, affordable housing at the same time.

Mayfield: That does not mean multi-family?

Kimble: That doesn't necessarily mean multi-family.

Barnes: But it will be multi-family.

Kimble: Some of it will and some of it won't.

II. Business Investment Grant Program update

Kimble: This might be our third stop on this topic of the Business Investment Grant; you asked us to go test some things and bring back some suggestions and have another conversation with you so Mr. Cronin is going to do that today.

Cronin: Good afternoon. We've got about 15 different recommendations to go through today and lots of time to talk about it and of course we can always come back if we need to as well. As you recall, we presented a number of items that were exceptions or had been reoccurring exceptions to the policy as well as some things that didn't always align properly with other programs like the State's programs and things like that and you asked us to take a look at those to see if we could tighten them up. We worked with the Business Advisory Committee, met four times on four occasions to go through each of the items. We also met with the Chamber staff last week with Ms. Natalie English, who is here today as well as the development staff has put some input in this as well.

The 15 different items that were identified all fall within three areas; items regarding policy, items regarding the administration of the program and then items related to the company. I'm going to go through them individually because I think it is the easiest way to do that. One of the reasons that we are bringing this back to you today was to get some input to make sure we are going in the right direction before meeting with the County and the County will actually go through a similar process so that we are all in sync and have that unified voice.

Kimble: And the County is here today.

Cronin: The first item is related to policy and this is something that may not have been as apparent, but there is an 80% tolerance level to the committed job levels written in our agreements, meaning that if a company commits to 100 jobs with the end of the policy, if they come up short with 80 that

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has been a tolerance that had been allowed previously. Some states do it and some don't; our state does not do it at the state level; Georgia does it at the state level, South Carolina does not so the recommendation from the BAC was to keep that 80% tolerance to demonstrate flexibility in that human factor. For example, if a company comes up short at the very last minute with one or two jobs not necessarily the 80%. However, it might be easier also to work with a company up front to say what is the absolute number you are willing to commit to whereas in a situation of 100 jobs if they really think they can commit to 80 that we just have them commit to 80 and we leave it at that and anything over and above is icing on the cake.

Kimble: You have a slide there only if the investment levels are met.

Cronin: That is correct.

Lyles: How do you want to do this; do you want comments or how do you want to do it?

Cronin: Yes, we can do it one by one.

Barnes: Thoughts?

Lyles: I like the 100%; I think that we too often get placed in a position where we say it is going to be 100 and they come in at 80 and then we look like it failed versus it was a success. I don't know the real answer but just in terms of public perception.

Barnes: Playing on that though, let's say they do come in close to 100 or 80 and then they really create 76. Does that change anything for us?

Lyles: I don't know but I feel like now if they say 80 and they come in at 60, we failed and that tolerance level maybe is 5% or 10% or whatever it is but right now I feel like the public looks at it as failure.

Barnes: What do you all think; do you see what I'm saying? If we tell them how many you're going to commit and they bring us 80 and they end up bringing 76, does that change?

Cronin: There is the opportunity for the Committee and the Council for us to come back to you in those occasions if somebody falls below and they have committed to 100 jobs; they come in say we've got 98 that we come back to you and ask for an exception to pay up based on that.

Austin: How many companies didn't meet their goals?

Cronin: So far none.

Barnes: They've all met them?

Cronin: Yes.

Mumford: Well one and they are leaving town.

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Cronin: Oh sorry.

Barnes: Banana split.

Lyles: Mr. Chair, you said that Georgia doesn't – who has the zero South Carolina?

Cronin: South Carolina has zero tolerance, North Carolina as a state has zero tolerance.

Lyles: What is their practice, do they allow for exceptions after the zero policy?

Cronin: They usually use it as an opportunity to renegotiate with the company, especially if it is a company that is staying.

Mayfield: For me real time makes more sense so as an example, the recent article in the Observer regarding Electrolux. How would this play out if we are saying only one company did not meet? I'm not understanding why we even have the conversation about how would it play out in real time with the discussions that we are hearing now regarding layoffs with Electrolux when they did receive a Business Investment Grant?

Mumford: That is a great example because it is in front of us today. Their job growth has so far exceeded what the requirement was that the few jobs they mentioned don't put them under what the required limit was so they still meet what we laid out in the contract. They meet it at that 100%. The 80% idea here is have somebody calculate potential disruption in the future and my entity is they decide they're comfortable with 80 and come to 76, they don't need it. Then we've had people not meet on the investment component, not the job component and they don't get paid and the investment stays, the company stays. We have to draw the line somewhere and the company has to draw the line; we are just trying to make sure that we are all transparent and up front about what that projected limit should be.

Mayfield: Mr. Mumford, on that same line, do we have any language in place or is there any consideration just to make sure that we don't have companies over hiring so that when they submit the information to us regarding their grants and then soon afterwards, they need to make adjustments and do layoffs, but we are saying you actually went above and beyond, well we need to be a little bit more realistic on what was happening opposed to it being in that timeframe for your first payout. Have we ever looked at it to see if that has been done and if not can we look at moving forward? I would rather you as was said hire as accurate as possible opposed to over hiring, hitting the quotas or exceeding, but then within a six month window you are now doing layoffs because we still have to figure out what are we willing to do with trying to get these people who may have moved here, who have bought homes and invested and now are looking at unemployment.

Barnes: No company would have any incentive to do that because you spend so much money training people and hiring that you would not over hire for a couple thousand bucks and then lay people off. In terms of how businesses function, they would have no incentive to do that unless you are trying to destroy your company. There would be no reason to do that because you would be killing the company.

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Cronin: There is a requirement to sustain a certain number of jobs per year written in each of the agreements so each year they have to have the average wage per year as well so the scenario that you provided would fluctuate that average wage quite a bit.

Barnes: To the issue that Ms. Lyles raised about zero tolerance in some of the neighboring states, what were you saying about that?

Cronin: For example, when I was in South Carolina if a company did not meet the job creation commitment, we used that as an opportunity to go back and try to get the company to commit to more jobs future as a time to renegotiate. But you could be penalized especially on a performance type grant where we have the opportunity not to pay out in our situation we can do that through the claw back.

Barnes: Does the Committee want to make a general recommendation on this particular slide?

Austin: Does this make us less competitive if we go with 100% in the market?

Cronin: I don't think so; I think in my personal opinion that this was created for those companies that had one or two off and it was a lot easier rather than going back to whatever those authorities were. In the case of Council or otherwise to say we missed it by two we are not going to pay out. On the other hand, I think also from an announcement perspective, if we are announcing a company is committing 1,000 jobs and then a year from now we say oh we are going to pay them based on the incentive agreement at 800 jobs. It feels quite a bit different and I think we're not in sync with the announcement and the expectations of the citizens.

Lyles: My preference is consistency with the State practices, one just because I think it is a lot easier to fill out one set of forms instead of two and then I like consistency with South Carolina.

Barnes: So you like the blue which is to remove the tolerance and just ask for a gross number of jobs to be committed?

Lyles: With the appropriate policies that people use.

Barnes: Without voting that is how we feel.

Cronin: Ok. The next item has to do with eligibility criteria and there is another item that is very close to this and it is for projects that may be start-ups, new companies that may not yet have the job minimum creation or the minimum capital investment but we know they are going to grow very soon. The current situation if you've got a company that comes in that falls into that category, they have to go shop around when they get big enough to make it competitive now to be eligible for these types of grants. If we've got a company that comes in with six or ten employees, maybe a million or two capital investment, but we know that in the short near future they are going to grow dynamically and that this is just a first maybe a sales office that they start with. The current way it is set up once they are here in order for us to ever work with them about giving them an incentive for that growth; they actually have to go look somewhere else. This is something that would help us to be able to maintain that captive audience and reward them for looking here in the first place, but what we are suggesting

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is to preapprove a conditional grant in the future should they hit those numbers so that they don't have to go look around.

Barnes: Would that artificially tie up our capacity to offer grants?

Cronin: Because it is reimbursement, no. We are not spending any money that we haven't taken in in revenues.

Lyles: I like it; I think it helps with our entrepreneurial drive to create things like the Graham Street corridor that you are talking about. It attracts people and gives them some incentive.

Austin: I like it.

Barnes: We like that.

Cronin: The next item on the same page is an alignment with the State's requirements. Currently for existing businesses that are going through that competitive expansion, you can have up to a five-year grant period and that is not just for the grant to the enjoying the reimbursement of those property taxes, but it is also the job creation and the capital investment period over five years. The State only allows for three for all of their programs. The Committee came back and recommended that we continue to allow for that five-year grant because of the fact that it awards local business in expansion and that this was really a more specific local need rather being in line with the State.

Barnes: Ms. Lyles mentioned consistency with the State a few moments ago. Is that a big issue here?

Lyles: I don't know. I know these are the choices, but what do you think?

Mumford: This one came to you all with Frito Lay if you recall that. The issue was up front time to modify the building, bring the equipment in, all the while the clock was ticking. The State's drive is to be able to announce jobs; they are not about investment and so we are a little bit different then the State in that we are clearly interested in the jobs also interested in investments. On the investment side, sometimes it makes sense to extend this out and that is why we support continuing with that option.

Barnes: At five years?

Mumford: Yes.

Barnes: Any objection from the Committee?

Cronin: Future mergers and acquisitions – that is very fresh in the scenario whereas we've had a company that was acquired and in that particular case was economic development grants as well as business investment program grants. The economic development grant was the only one that was collected upon. Today, we are talking just specifically about Business Investment Grants. In this case, the Committee has recommended that the acquiring company is reassigned the grant and the

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benefits and the claw backs, but that the acquired company must provide written notice to the acquiring company that the grant obligation does follow the transaction and that the acquired company must also provide written notice to the City and County as soon as that transaction is made public.

Barnes: Did that not happen with Chiquita?

Mumford: Well, the obligation transferred because the acquiring company agreed to do that. This wasn't codified in the contractual language.

Barnes: But what I'm saying is did it effectively happen in that, but it wasn't in our policy?

Mumford: Correct.

Lyles: It wasn't in their contract or their policy?

Cronin: There is nothing in there currently that requires anyone to acknowledge that it is there. It would show in due diligence of course when you are acquiring the company, but there was nothing acknowledged.

Barnes: Ok.

Cronin: Incentive cap on per job amount – we've had in some Closed Sessions where we've brought projects to you that had fairly large package when you looked at the total amount of value of the grant and the question has come up on how many jobs is that and how much is it per job. In some industries, for example, data centers and things like that, you've got a small amount of jobs and a lot of capital investment and because our grants are based on capital investments on real property tax and personal property tax then the actual incentive per job amount looks very, very high because of the number of jobs that are associated with it. Committees came back and said really this is not an issue because of the fact that we don't have an abatement program here in North Carolina, it is not allowed. Our competition is using the same types of grants based on property tax revenues, offering abatements or fee in lieu of taxes, don't have a job creation component that goes along with it so in other places this type of incentive, although we use jobs as the basis of it to justify it, they do not in other locations have a cap or an amount per job in consideration. As a matter of fact in most areas that have an abatement, you don't even have to have a job created it's just the investment that goes along with that.

Lyles: What do we have now?

Cronin: Nothing. It came up in one of the Closed Sessions, the question of how much per job were we giving through that grant.

Barnes: So if we remain silent on that particular item nothing changes?

Cronin: Nothing changes.

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Barnes: Let's pretend like we didn't see that.

Cronin: I got you. This next one is a local hiring requirement and because a company could be receiving funds from us, usually it is going to be about a year later when they actually certify for those funds. What we've asked and what the Committee has recommended is that the company meet with our staff before they hire or at the most one year later so that before they actually collect on any grants. The idea being is that sometimes they are not going to be able to hire locally and we know that. If there is an engineer or an engineering firm but the main point is to have the conversation so that we can get them with Charlotte Works and work with our professional partners to determine what their workforce needs will be. I'm not sure if that makes sense; rather than prescribing that they have to hire X number locally but instead let's make sure that they meet with the agency that can provide that service to them.

Austin: Why a year later and not at the outset? Explain that again.

Cronin: Before hiring or at the latest one year after the grant so that we have something to be able to enforce, meaning that we won't pay them if they haven't met with the workforce development agency by that point in time.

Mumford: If I can add a clarification. If they haven't hired within a year to a year and a half, we want to meet with them, no later than the end of that first year. All of this is predicated on meetings prior to hiring or even frankly developing a strategy for hiring so that we can engage and say you know what your jobs look like they would be great for a job fair, you are the people that can set that up or we understand that pretty specific jobs needs is probably not conducive to the job fair, however we have talent all across the board in this community and here is where we think you should go and seek local people for those specific jobs. To date, we haven't had those conversations and so we don't know when they start hiring, we don't know the hiring process and to Mr. Cronin's point instead of trying to figure out the legal ramifications of acquiring local hires, we can require a meeting with us and what we have is the stick of this incentive. If they don't talk to us, we can you didn't meet that requirement so it will get their attention to begin that dialogue early. That is the intent of this.

Kimble: Maybe the wording on this recommends the requirement that the company meet with staff before hiring begins period. And then another sentence, if hiring hasn't occurred within one year they must meet within one year after the grant.

Mayfield: We know it does work because we've already had some instances where when they came in we had local job fairs and was within that period. So putting language in where there is an expectation, I support it.

Cronin: This language is something that won't necessarily scare away a company or a site consultant from actually saying this community is going to be too hard to work with, let's just go ahead and cut them at the beginning. This still is very welcoming and it demonstrates that we are there to help them by meeting with them after they locate here.

Austin: I see Natalie shaking her head so I guess it is okay.

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Barnes: So we like this one; next.

Cronin: Very similar and this one has to do with companies that are actually requiring construction or build to suit facilities that they recommend a very similar requirement that the company or their construction contractor meet with the Charlotte Business INclusion staff before design or construction begins, but again if it has not yet begun no later than then we can amend the sentence to reflect that.

Barnes: That will be fine; alright we like that.

Cronin: The next item also very similar with the earlier item; this is for that phased investment when a company comes in and I use the example, foreign direct investors. We've got a lot of companies that come in perhaps with six employees or maybe two that are sales staff and their job is to get it up and going and then their North American manufacturing will follow. This allows us to go ahead and preapprove an offer for a future date.

Barnes: I think that makes sense too.

Cronin: This item has to do with the claw back period and the grant payback period or what we've been calling the recovery period on the grant. The current claw backs on any of our BIP grants, if it is a three-year grant, a three year claw back so the total term is six years for that. If it is a five-year grant and a five-year grant period and a five-year claw back, a total period of ten years. Then for those large headquarter projects seven years and seven years for a total of period of 14-years. In our presentations previously to you about the actual grants and how long it takes us if we had not provided a grant to recover that same level that we have given out. Sometimes the period falls within that claw back or that total period, sometimes it is longer than that. We had a grant recently that was a five-year grant with a five-year claw back and the payback or the recovery would have been 11 years on that if we had not given them a grant and if we were to receive that revenue without the grant it would have taken that long.

Barnes: That didn't make any sense to me.

Lyles: I don't understand that.

Mumford: Let me try a different approach. We are essentially foregoing receiving a certain amount of property taxes because sometimes we pay out at 90%, 50% or whatever the percentage is. What Mr. Cronin is saying if you look at it, it's a three-year period that we are paying at X percent and after that we get 100%. If you put in the tally how much we've basically put toward the grant, we are suggesting that the vast majority of our projects we get repaid within the duration of the grant period plus the claw back period. We are suggesting not changing that.

Barnes: I think we think that makes sense. If we have a five-year grant, there should be a five-year consecutive five years on top of the claw back so for 10-year period we can get our money back in case of the banana splits.

Mumford: The only risk we have and Mr. Cronin mentioned one was five-year payout, five-year claw back and the payback to us was 11 years. The risk there is they're 11th year, they packed up

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everything they have and leave and we haven't reached the payback. That is hard to imagine that happening.

Barnes: I think that we are covering ourselves with this type of policy pronouncement. Is that fair to say?

Mumford: And that we will continue to show you when we present these items the payback period so you will see ok we've got it covered.

Lyles: How does that work with the acquired company? Do they get like if it's year three they come in at year three or five and there is no reset for them?

Mumford: Our notion is that they come in and pick it up wherever it is, but that doesn't mean that they don't call you all and say we want to renegotiate. There is always that from a contractual standpoint, pick it up where it is.

Cronin: To Ms. Lyles' point, that is a real good reason why in that earlier recommendation of acknowledging the agreement and having it in writing. For example, if a company was four years into that three-year grant so they've already received three years of payment and the claw back exists for three more years that they won't remove the jobs or the investment and the acquiring company needs to know that because now they are on the hook for that claw back that the acquired company collected already.

Lyles: They got the benefit acquiring it.

Cronin: Yes. Exceptions, this is related to the administration of the program itself. When we have exceptions and again these are guidelines, the BIP program is a guideline policy document that is out there so we are still going to have projects that we don't know what their needs are now and there is probably going to be request for exceptions in the future. The Committee recommends that we document the reasoning of why we would bring that to you as an exception and why we think it should be considered as well as bring it in to Council for consideration.

Barnes: And you all have done that?

Cronin: Yes, that is the majority of the reason why we are doing this.

Cronin: Timing of the offer – this one is interesting and it is basically to make sure that the company is seriously looking at our location as a site, that we are not necessarily just being used as a stalking horse that they get an offer that they are going to use against someone else. This recommendation is that there is a discovery conversation between staff and a company's representative or an agent of the company and a representative could be a site location consultant that is making those decisions on behalf of the company. But before we offer incentives and ideally the site selection should be well underway and hopefully they have visited here and seen it and they like it and have tried on that suit before they negotiate a price is kind of the attitude we are trying to inject here.

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Austin: So when they come out for a site visit and they develop or see some work, do they need a contract for that location for us to proceed ahead or do they just say oh I like that site over there?

Cronin: Usually it is kind of I like that site over there but there are reasons behind it because of either infrastructure, transportation, workforce, geography, proximity to the Airport, proximity to their market and those types of things. Having the contract for the land out there would actually put them in a situation where they are no longer competitive. I think it is resonated with the Council before when you've heard that we've actually had those conversations we would know what the company need are as well before coming to you with it.

Decision making and/or reporting methodology – this has to do with using third party software and other means of determining what induced or secondary or the multiplier fact is of a project. Currently when we report to you, we only report the actual jobs that being committed to and the actual investment being committed to. We all know that some types of industries are going to spur additional growth than others especially manufacturing and those types of jobs that have spin off potential. The idea is that we provide that additional information to you so that when you are in that decision making mode that you have that additional information about what the actual bigger impact is of induced jobs or secondary jobs and multiplier fact of that particular type of industry. This is something that the County has access to RIMs which is a software and the Chamber has IMPLAN. Both are well known industry standards for it. It gives us the opportunity to actually work together with each of the partners to determine ahead of time how we measure these types of industries so that we are all in sync and we understand what the impact is and we are all telling the same story as well.

Barnes: Has the Chamber or the County historically shared their data with you guys? I know we've asked about it, but it doesn't seem that we have it necessarily, but do we ever ask them?

Cronin: We have asked for it but because we are not using it in our presentations to you, we have not used it consistently, but they have offered it to us.

Barnes: Ms. English, would it have a budget impact for the Chamber to give us access to IMPLAN?

English: Yes sir.

Barnes: You would not let us use it?

English: Oh no, we would let you use it because we're partners and we did share that information.

Barnes: I would love for us to see that.

Mumford: So you all know, we used to have this years ago in the City and the numbers as they were presented just looked unbelievable; how could the secondary benefit be that much and so there is a period of time where it was a real question on the validity of it and maybe the methodology behind it so times have changed dramatically from the ability to access data. We will test that and will be conservative with what we will present.

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Cronin: Consideration of other tax credit programs – this is only referring to those tax credit programs that also use property taxes as the basis so the Committee recommends that when another tax program, for example the North Carolina Brownfield Credit Program is used in conjunction with the BIG Grants that our grant is used after theirs so that the company can actually enjoy both credit programs, so layered on that. They are few and far between; we've not had any for a long time.

Items related to the company – this has to do with due diligence and getting an understanding of what the company is about, what their corporate citizenship is like, the culture. The Committee came back and recommended that a checklist of basic items to include some of the following, the legal status, tax liens, etc. and the idea is that the organization that sources the project who is having that first initial front end conversation also work to complete this check list or get as much as they can about the company. Bear in mind we have companies, for example a Chinese company may be very difficult sometimes for us to get some of this information. This does not preclude them necessarily, the recommendation is not to preclude them from getting grants, but it is so that we take that extra step to learn as much as we can about the company in advance to whatever extent is possible. This is one of those things that sometimes the criteria, a company could meet the criteria if we pre-prescribed it but they have to have this, this and this. It is still not the best company in the world for some reason or another so we are not suggesting that this is a criteria that will pass go but again is just again addendum type information for you and it is one that probably you are going to know it if you see if there is a problem, I think is the best way I can put it.

Barnes: I think you are right about that Mr. Cronin so for example, two things strike me, one is litigation and whether there is any ongoing litigation with the company, but also not to oversimplify it, but just a basic Google search because we had one where one company was paying off terrorist groups and all kinds of stuff. You know how I found it; I just sat and Googled it and it popped, but you weren't here but the Council was not told about it so just a basic Internet search will frequently reveal information that you wouldn't ordinarily guess is there.

Austin: Who was that?

Barnes: Banana split.

Lyles: I agree with the Chair and I thought there was an actual software package that did do criminal background checks, forensic checks about the C-Suite Board and those kinds of things. I don't know, it's just one of those things protecting. I'm not saying you need to do it but to me one of the things I look at if a company has been in court and convicted of environmental or fraudulent, all kinds of things like that, the Google search is likely to do it but I think there is little bit more scientific way it could happen.

Barnes: Like Lexus/Nexus?

Lyles: Yes, that is what I was thinking of.

Mumford: I just want to emphasize we are not suggesting we have a scoring matrix.

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Barnes: I agree. To clarify that point so that you hear this too because you guys may have access to other things that we are not using like Lexus/Nexus.

English: We have some concerns.

Barnes: We are talking about becoming aware of information, not saying that because your CEO's have been married and divorced six times. Some of the issues like media coverage not because people have issues in the media or are having giving money through philanthropic efforts that we are Xing them out. We are not saying that. I think it is just a matter of having the Council be aware of facts about the company. Does that make sense?

Cronin: Yes. This is a more sticky subject so determination of the competitiveness of a project; currently we have a clause in our agreement, a certification clause that the company certifies that it is solely the incentives that we provide them is the reason for this relocation. We know that the size of our incentives in the grand scheme of things for most of our deals is not large enough to be the sole reason for somebody to locate here. If we look at an overall stack of different things that are attributes whether it be workforce, whether it be cost of doing business, whether it be geographic location, existing building, lease rates; incentives are one piece of that stack and sometimes it is enough to put you over the competitor's stack by having that little bit of incentive. So it is important that we are still are able to use and deploy those tools, but for us to ask the company to say that it is solely the reason for that when there are other things that are out there and the size of it. The consideration is whether or not we continue to require that "but for" clause making sure that a company has to be competitive, that it is only this incentive that is the reason why they are moving here. Now being competitive, if they are looking at more than one site, that is competitive. That by itself is competitive. If they are looking across the border is competitive, but to say that just this incentive is what is going to make or break the deal and the only reason that they would move here is probably something that we need to take a harder look at.

Mumford: What has happened with our language and the State's language is more of interpretation where some people land on it is solely driven by the incentive. The language reads contingent upon receiving so some people look at that as that means if you don't get this you are not coming and others say well it is contingent on that and a lot of other things. We want talented people, we want available land and all those things and so we just want to be clear about that so we are not getting into the debate over what does contingent mean.

Barnes: Let me ask a question; you are suggesting in blue that we may want to consider removing the "but for" clause. A few of these lucky guys have been \$130,000 over four or five years for a multi-billion dollar corporation which means nothing to them. I think they hear incentives, they know they are available and say let's take advantage and they say well let's ask Charlotte about the incentives and so it is whatever the number is, less than \$200,000. Is it really worth the exercise that we go through sometimes for two or three hours on a Monday night arguing about whether the "but for" clause has been vet or should we just recommend to the full Council that we dispense with it and move on without it?

Lyles: I agree it is disingenuous to say "but for" when you are talking about this. I guess the question is, I don't know what the language should be because what I heard Mr. Mumford say is contingent has

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two different meanings depending on which side you land on for the yes or no vote so I don't know if contingency is really making a difference but I think as I said it is not really accurate to say it is a "but for". I don't have another wording and I don't know how other places do it but I know that they are not coming just for, but when the site selector is coordinating and doing all of that they are saying is there a program and what we qualify and that just happens and rolls out that way. It is kind of one of those things that you said but you really don't mean it in the way it is written. That's kind of what I heard you say but I don't know what the language could be because we don't want to walk in and just say well "but for" ours you wouldn't come. That is not correct.

Mumford: I'm hearing move away from the strict language, but we will come back with some alternatives that fit the substance of where I am hearing you all go.

Barnes: I think is helpful but why would the BAC recommend sticking with the "but for"?

Cronin: The liked the idea of putting the onus on the company to determine because it was easier than us trying to really read into okay, are you really competitive, are you playing us or not that to put the onus back on the company to say whether it is or not.

Mumford: One more piece of information here; when we have folks that currently operate in Charlotte and they want to expand and we say well we've got to make sure there is a "but for" clause and we have competition. We basically are telling them go to South Carolina and look for another site and come back and say you like ours better. That feels a little odd to us to be suggesting our folks go try to find another home just to prove the wording here. We want to be transparent; we want to be partners with good companies that have real intent to be partners in.

Barnes: Ms. Mayfield, we've asked staff to work on some other language that might soften the phrase "but for" but we're going to have to figure a way to keep it.

Mayfield: Because we can't have two different conversations. In perfect world, we would have a different set of criteria for current businesses looking to grow opposed to new businesses coming in where we can't do that.

Barnes: What I'm saying we want to make sure the spirit of that is there and that they are dealing with us in good faith, but we also recognize that if a company is coming here they made \$50 billion last year and it is \$137,000 grant; they are certainly not making that decision because of \$137,000, but we also want to feel like the incentives are some sort of incentive to get them here or to get them expand.

Mayfield: That is why I said to me it is two different conversations; I love the "but for" when it comes for that business looking to relocate. I think it should be a different conversation for that business that is already here making the investment and looking to grow.

Barnes: I think we are getting a feeling about tweaking this slide.

Cronin: One of the other recommendations was more of a housekeeping of keeping this healthy in line and that is to do a comprehensive joint review with the City and the County every three years on

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this and that we include the impacts of those previous grants and then look at the conditions of the areas where they are located. Does that business investment zone remain the zone or do we do our job and bring it up and now we need to focus on another area so there's a lot of different things that we need to, hopefully if we are successful, some of these things will change in the future.

Barnes: Is the County on board with the three years?

Cronin: We're meeting with the County after we meet with you.

Barnes: Is the Committee okay with the three years?

Austin: Three sounds fine.

Lyles: I like three because you can ask for it anytime you want to and it is just to make sure that the staff said by three years so that we don't forget but if we decide then we can say bring this back now.

Kimble: I've been here 15 years and I think we've done it five times.

Cronin: This is the last item and it has to do with the eligible clusters; currently we've got them identified as manufacturing headquarters, logistics and merging technologies, financial, insurance and professional services. The Chamber has got some targeted clusters as part of their plan and the Chamber's development staff came back and said we suggest that you make it a little bit more all-inclusive in some of these areas. For example, office now would cover and financial insurance and professional services all in one or perhaps any new industry that we may not even know about yet that falls into that as well. It is a little bit more encompassing with the exception of retail; hotel and residential projects still would not be eligible except if their headquarters are a support operation for one of those industries.

Barnes: I like all three of these and I'm trying to confine them all into one. I see what you are saying about the emerging technologies or student financial insurance and professional services collapsing into office. Is headquarters also collapsed into office?

Cronin: Yes.

Barnes: Okay, which makes sense; big data and analytics I think with someone pursuing energy and power industries.

Cronin: I think you've got that in R & D.

Barnes: The foreign-owned firms with ED type programs, etc.

Cronin: They would actually fall into one of these categories based on what line of business they have.

Barnes: So the Chamber's target is in blue; their suggested eligible clusters are in red and ours is in black. Do you think we should adopt the column in red?

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Cronin: Yes.

Barnes: I think it incorporates ours in black right?

Cronin: Yes.

Barnes: This is something that Ms. Mayfield brought up and a number of my colleagues brought up and that is this idea of us having too much back office recruitment; these call center type jobs where they may bring 400 jobs but they pay \$24,000 per year with high turnover. You have data centers here, but that is not a call center.

Cronin: No, those are enterprise data centers.

Barnes: Which have generally a lot of equipment in them, like eight guys working there.

Cronin: They have to have at least 30 to be eligible.

Barnes: So there are jobs being required. I think the list in red there would make some sense in light of what we are trying to do. I'm worried though about whether there should be a colon beside office that lays out headquarters, financial, insurance and professional services, a drop-down that would specify that we do want Arriva, we do want Siemens.

Cronin: Ok. From the marketing perspective so people know we want it.

Barnes: Yes, so they see in the drop-down that office includes those things because it is not just two or 35 man office; we want Sealed Air.

Mayfield: I agree with that because what we also don't want is for people to look at it and use their own interpretation of what it is that we are identifying as office so by being able to have a drop-down and specify everything that you mentioned, conversions, great company.

Austin: We've been in conversations as well with the County staff while we are looking at all of this or not?

Cronin: No, we are meeting with them after you so we wanted to make sure we were in the right direction first.

Austin: Well I guess my concern is the County and their elected sometimes we all can be kind of ornery and may decide they don't like any of this.

Kimble: In the history of the program, we've always been the lead, taking the lead and we wanted to make sure we were discussing with you your comfort level with these. We will go to them and I would suspect that 80% or 90% of these things they are going to say yes to, but there might be one or two, then we would come back to you, but we want to find out where we can get the most consensus right out of the gate.

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Cronin: And hopefully they will have some of their own as well that we may have overlooked that is important to them that we can both have skin in the game.

Austin: As our objective most times, I know we went off in a different direction on the last one; do we try to stay in sync with the County?

Cronin: Yes we do.

Kimble: It's important too.

Mumford: Remember the property tax issue is two-thirds them so going the loan option that is where I kind of panic because we don't have a lot to offer there if the County is not with us.

Kimble: The one big one that has been different has been when they try and assess the impact of County Services and school systems. That one has kind of thrown a wrench into the uniformity of the program and that consistency between us, them and the Chamber. That is one we will have to see what they come forward with.

Barnes: That one we may not be able to reach out to some of them because a lot of these folks aren't necessarily living in Mecklenburg County. I don't know if you can say it is fair to say add 200 kids to the school system.

Lyles: I think to your point, we don't assess road capacity; we try to think of it as an investment and build it so hopefully there is a reason it is competitive. My question was separate from this. On the categories when we look at emerging entrepreneurship in some of the pockets we are building, how does that fit in with the idea of I'm sending two people, I'm thinking about what it can be. Will that fit with our preplanning and allowing you to come back? Do these categories reflect that kind of emerging entrepreneurship? It may not even be technology. I'm just want to figure out how we keep the people that are working in their garages with a big idea and keep them here.

Cronin: If it's a company that is locating and there are a couple people starting up or maybe a sales, they're going to probably have some types of office space that they would be able to actually fall under the office for the time being, but the idea is to capture them before they grow into that manufacturing R & D and some of those others.

Barnes: I want you guys to thank the BAC for their work on this; we appreciate it because it helps us to kind of think through some issues that we want to talk about. I've got a meeting in six minutes upstairs, but I was going to say we didn't really dig into this apprenticeship and internship piece but we'll talk about that. So next steps, they are going to show the recommendations to the County take a deeper dive and then share the recommendations with the State which is important as well then bring back some final recommendations for us and we will move that on to the full Council sometime in the fall.

Mayfield: We don't come back together until September?

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Kimble: I was going to say right now the schedule says that but there's a couple of projects that are percolating and so we would like to reserve the right to poll you to find out if this meeting time, if we do indeed need to; we don't know that we will. We would like for you to have the summer off, but there may be a need to have one meeting.

Barnes: Well, I'm not going to Sarasota so I will be in Charlotte. Anything else? So you guys see the list of future topics, Eastland, Immigration Task Force, BIG. There is a lot of stuff going on, entrepreneurship, Amateur Sports so there is a lot that we still have to work on.

The meeting was adjourned at 3:30 p.m.

City Council
Economic Development & Global Competitiveness Committee

Thursday, June 11, 2015
2:00pm

Charlotte-Mecklenburg Government Center
Room CH-14

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

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. APPLIED INNOVATION CORRIDOR UPDATE – 10 minutes

Staff: Ed McKinney, Planning

Action: Staff will provide the Committee with an update on the corridor's planning and identified projects to be presented at an upcoming council business meeting. No action required.

II. BUSINESS INVESTMENT GRANT UPDATE – 45 minutes

Staff: Bill Cronin, Neighborhood & Business Services

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

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, September 3, 2015 at 12:00pm, Room CH-14



Applied Innovation Corridor

Community Investment Plan Update

Economic Development &
Global Competitiveness Committee
June 11, 2015



Applied Innovation Corridor

Background



Vision:

- Links City's academic and research assets with private and public investment
- Focus on innovative industry/job recruitment (bioscience, health care, energy, infomatics, food technology/hubs, etc.)

Building on:

- Initiative from the Center City 2020 Vision Plan
- ULI Advisory Services Panel (May 2014)
- Community Investment Plan (on-going)





Applied Innovation Corridor

Community Investment Plan

Applied Innovation Corridor

2014 Bonds: \$12.5 million

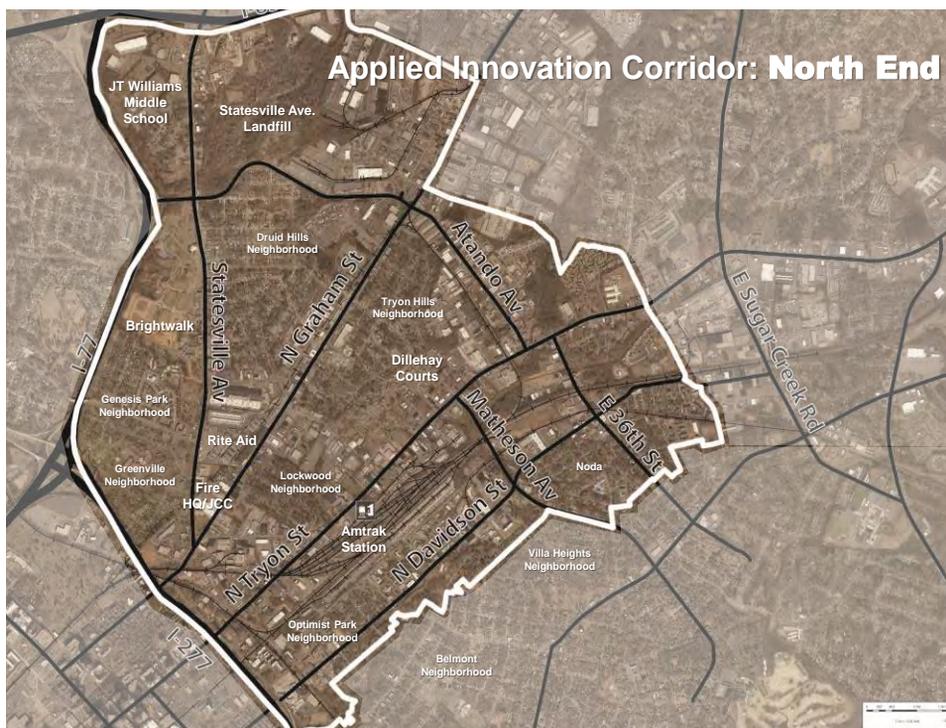
2016 Bonds: \$7.7 million

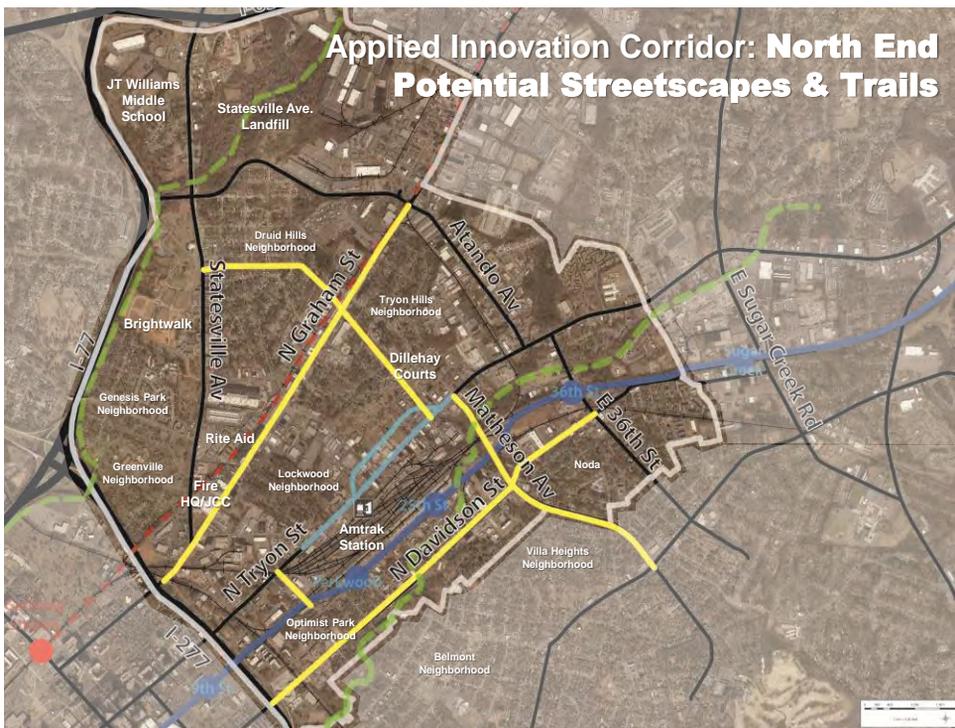
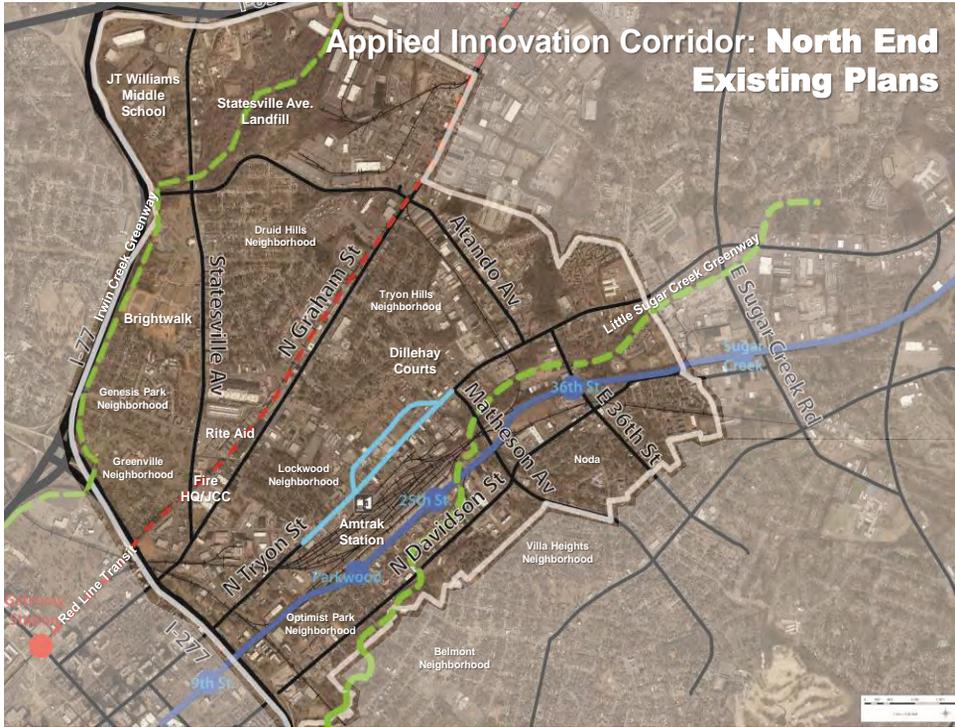
2018 Bonds: \$8.8 million

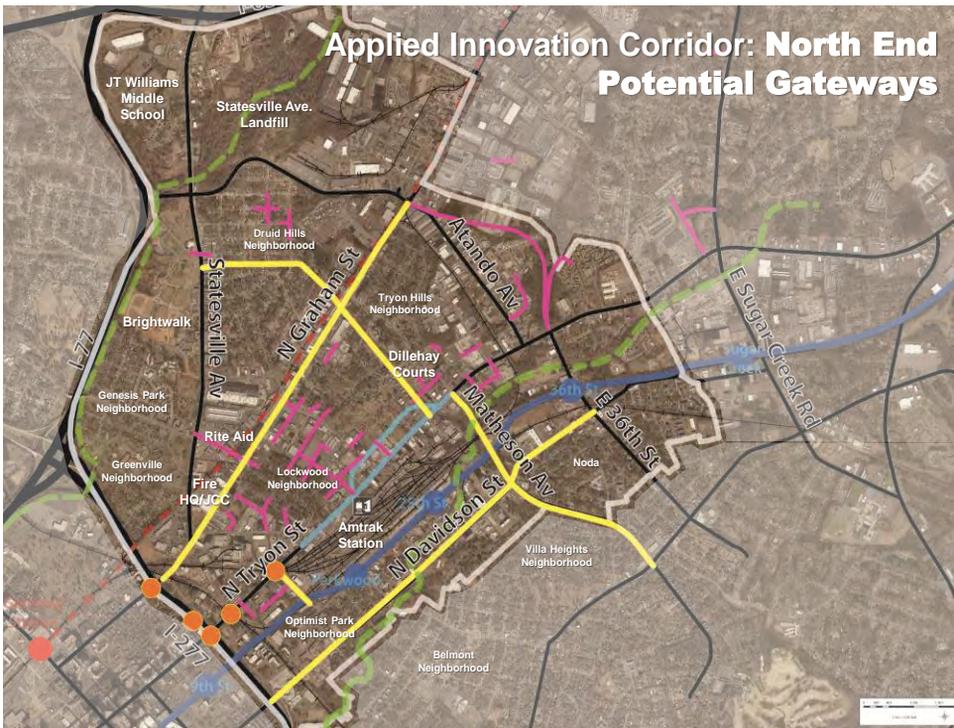
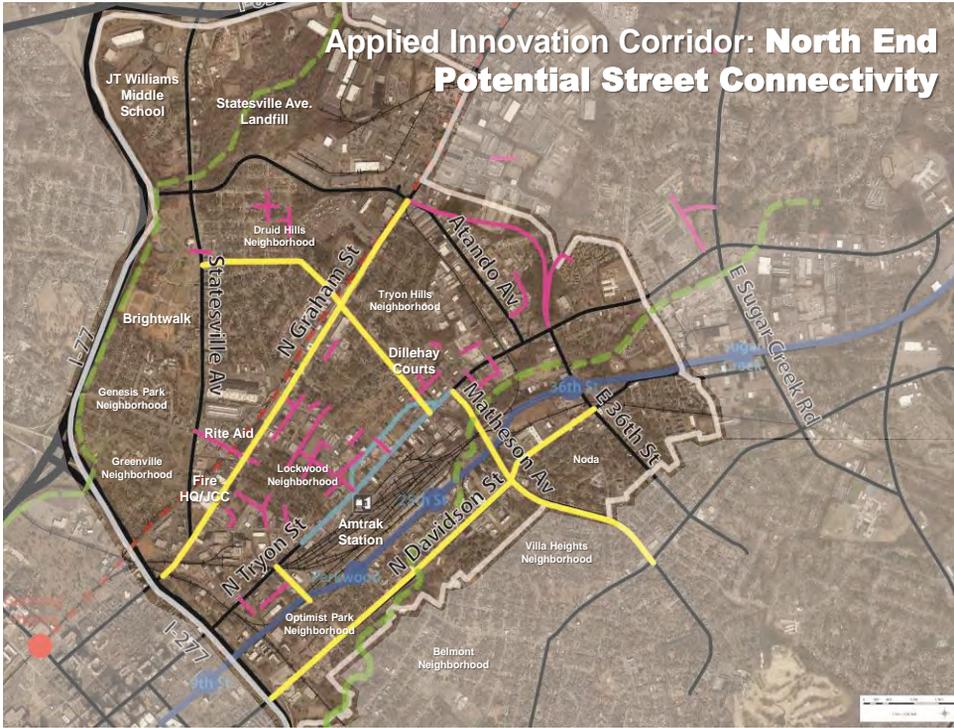
Total: \$29 million

North End Example Projects:

- Graham Street Streetscape
- Matheson Ave. Bridge Streetscape
- Woodward Ave./24th Street Realignment
- Street Connectivity









Applied Innovation Corridor

Current Activity

- Market Analysis
- Stakeholder Interviews
- Public Workshops



Applied Innovation Corridor

Community & Stakeholder Engagement

- Neighborhoods
 - Druid Hills
 - Gables at Druid Hills
 - Lockwood
 - Greenville
 - Dillehay Courts
 - Graham Heights
 - Genesis Park
 - Park at Oaklawn
- CATS
- Mecklenburg Park & Rec
- UNCC
- Norfolk Southern, NC Railroad, & NCDOT Rail
- Charlotte Housing Authority
- Charlotte-Mecklenburg Housing Partnership
- Center City Partners
- North End Partners
- Potential Developers
- Private Social Service Organizations



Applied Innovation Corridor

Community Input

Needs:

- Retail, food, grocery
- East-West connectivity
- Improved bike/pedestrian connectivity
- Green space & recreational areas

Issues:

- Negative perception of area



Applied Innovation Corridor

Next Steps

Investment Evaluation & Timing

- Goals
- Feasibility
- Cost/Benefit
- Partnerships?



QUESTIONS



Business Investment Grant Program **Business Advisory Committee Recommendations**

Economic Development & Global
Competitiveness Committee
June 11, 2015



Business Investment Grant Program BAC Recommendations

Items related to Policy:

Identification of committed job levels

- Business Advisory Committee (BAC) recommends keeping the 80% tolerance to allow for flexibility and human factor. But only if investment levels were met.
- However, it may be easier to remove tolerance level and ask company to commit to 100%.



Business Investment Grant Program

BAC Recommendations

Differences in eligibility criteria and grant levels for job intensive project and capital intensive projects

- BAC recommends extending the offer to pre-approve grant for a later time if Capital Investment and job creation grows over next 3-5 years.

Alignment with the State's requirements

- BAC recommends allowing for 5-year grant period for expansions to show local support for existing industry and allow flexibility.



Business Investment Grant Program

BAC Recommendations

Future Mergers and Acquisitions

- BAC recommends that new acquiring company is reassigned the grant and benefits/claw backs. The acquired company must provide written notice to the acquiring company that the grant obligation follows the transaction. The acquired company must also provide written notice to the City and County as soon as transaction is made public.



Business Investment Grant Program

BAC Recommendations

Incentive cap on per job amount

- BAC recommends no cap because of positive impact of investment. (Our Competition does not have a job creation requirement for their abatement programs)

Local hiring requirement

- BAC recommends requirement for the company to meet with staff before hiring begins (no later than 1 year after grant agreement is executed) to identify local workforce needs.



Business Investment Grant Program

BAC Recommendations

MWSBE participation commitment for construction aspects

- BAC recommends requirement for the company or their construction contractor to meet with Charlotte Business INCLUSION staff before design or construction begins (no later than 1 year after grant agreement is executed) to identify MWSBE opportunities.

Consideration for phased investment/job creation for Foreign Direct Investment or start-ups

- BAC recommends extending the offer to pre-approve grant for a later time if Capital Investment and job creation grows over next 3-5 years. (Same as item 2)



Business Investment Grant Program

BAC Recommendations

Claw back period alignment with grant payback period

- BAC recommends no change since the recovery period is not a true payback period. (Claw back period will continue to mirror grant period. i.e. a 3-year grant with 3-year claw back= 6-year period)



Business Investment Grant Program

BAC Recommendations

Items related to Administration of Program:

Exceptions

- BAC recommends documenting reasoning as part of exception recommendation and bring to Council for consideration.

Timing of incentive offer

- BAC recommends a discovery conversation between staff and company representative or agent of the company before offering incentives. Ideally, the site selection process should be well underway and search narrowed to a single site within Charlotte.



Business Investment Grant Program BAC Recommendations

Decision making and/or reporting methodology

- BAC recommends subscribing to a service like IMPLAN or RIMs modeling to provide secondary or induced impacts of the project in an appendix for consideration in grant decision making and annual reporting.

Consideration of other tax credit programs

- BAC recommends that when another tax credit program (such as NC Brownfield Credit Program) is used in conjunction with a Business Investment Grant, that the Business Investment Grant be used after the other grant to lengthen the relief period. *(Additional property tax credit program use must be disclosed at the time of grant application)*



Business Investment Grant Program BAC Recommendations

Items related to the Company:

- Due diligence (legal, impending lawsuits, ethics, and corporate citizenship)
- BAC recommends a checklist of basic items to include:
 - Company's legal status
 - Tax liens
 - Media coverage
 - Philanthropy & Corporate citizenship, etc.

The agency or partner organization that sources the project should be responsible for completing the checklist to the extent possible. (an incomplete checklist does not preclude a company from receiving grants)



Business Investment Grant Program BAC Recommendations

Determination of the competitiveness of a project

- BAC recommends that the requirement remain for company to certify that the relocation or expansion is contingent upon receiving local incentives.
- However, in reality our incentives are usually not enough to be the sole reason for site selection. We may want to consider removing the "but-for".



Business Investment Grant Program BAC Recommendations

Additional Recommendations:

- BAC recommends a comprehensive joint (City and County) review of the Business Investment Grant Program every 3 years. The review should include impact of previous grants and examine economic conditions within the Business Investment Zone to determine whether any geographic area needs to be added or removed from the Zone.



Business Investment Grant Program

Current Eligible Clusters:

Manufacturing
Headquarters
Logistics
Emerging Technologies
Financial, Insurance &
Professional Services

Chamber's Target Clusters:

Big Data & Analytics
Energy & Power
Industries
Foreign-Owned Firms (PDF)
Headquarters
Health Care (PDF)
Logistics / Distribution
Manufacturing

Chamber's Suggested Eligible Clusters*:

Manufacturing
Office
Warehouse/Distrib.
/Logistics
Research &
Development
Data Centers

**Retail, hotel and residential projects are not eligible for consideration unless as HQ or support operations.*



Business Investment Grant Program

Review Process

Next Steps:

- Share recommendations with County staff to take a deep dive into these items
- Share recommendations with NC Economic Development Partnership to ensure alignment with State
- Bring final recommendations to ED&GC Committee
- Present to Council at Dinner Briefing
- Adopt by full Council at Business Meeting