COMMITTEE AGENDA TOPICS

I. Subject: Disparity Study Process
Action: Staff will share a proposed timeline and stakeholder input process for updating the City's SBO Policy based upon the Disparity Study recommendations from MGT of America, Inc. and Franklin Lee of Tydings & Rosenburg, LLC. Staff will ask the Committee to recommend the process for City Council approval on June 25.

II. Subject: Business Investment Program Review
Action: Staff will provide an overview of the Business Investment Program, including potential updates that incorporate feedback from the Chamber and Mecklenburg County. Staff will seek Committee feedback on which program changes merit further study, prior to finalizing recommendations for program updates in July. No action required.

III. High Growth Entrepreneurship Strategy
Action: Following up last month's presentation from the Charlotte Entrepreneur Alliance, staff will share draft recommendations on ways the City can grow the economy through the support of high growth entrepreneurship. Staff will seek Committee feedback prior to finalizing recommendations for adoption of a high growth entrepreneurship strategy in August. No action required.

IV. Business Advisory Committee Annual Report – (Information only)

COMMITTEE INFORMATION

Present: James Mitchell, Warren Cooksey, David Howard and LaWana Mayfield
Absent: Patrick Cannon
Time: 12:00 - 1:50 p.m.

ATTACHMENTS

1. Disparity Study Follow-up Proposed Project Work Plan & Schedule
2. FY12 Update to the Charlotte-Mecklenburg Business Investment Program Presentation
3. The City's Role in Supporting High Growth Entrepreneurism Draft
4. Business Advisory Committee Annual Report

DISCUSSION HIGHLIGHTS

Chairman Mitchell: A couple of us were traveling back from Raleigh this morning, but I'm glad everyone could be here today for the Economic Development Committee meeting. If I could get everyone to introduce themselves.

We have four items on our agenda today, Disparity Study Process, Business Investment Program Review, High Growth Entrepreneurship Strategy and Business Advisory Committee Annual Report.

I: Subject: Disparity Study Process

Kimble: Three of the four items are really just information items, items two, three and four. Item one is the Disparity Study Review and we have a process to recommend and we are going to share that with you, but you also need to take a vote on the direction that is associated with that process. You have talked about it extensively over the last three to four months with the study that has come forward. I think Brad is going to handle that one today along with Cindy and then we have the Business Investment Program Review and High Growth Entrepreneurship Strategy, further updates on those. Those are previous referrals to this Committee so this won't be the last time you see them. It is more discussion today and we will bring them back later for a recommendation from the Committee to the Council. With that, I will turn it over to Brad and Cindy.

Richardson: Nancy Rosado is out of town today, otherwise she would be doing this so I am pinch hitting for her. She has done good work since the last meeting, putting together the process and schedule. If you recall the last time we were together talking about this topic, Franklin Lee was in town giving his recommendations based upon MGT's findings. At the conclusion of the meeting, our next step was to come back to you today with a schedule and a process for getting the Disparity Study wrapped up with potential new program revisions based upon both MGT's findings and recommendations and Franklin Lee's recommendations based upon the same findings of MGT. I've got two attachments for you today, one is the actual action that needs to be taken and I'll explain that. The second one right behind it is the proposed work plan and schedule and I wanted you to see that. This would be an attachment to the action we proposed on Monday, June 25th to take formal action of the Council. If you will turn your attention to the Request for Action, this is what we are asking today. I will review this and then I will review the work plan.

Action A – You would recommend to the City Council, accept and adopt the findings of MGT of America, their City of Charlotte Disparity Study Update Report that was presented to you on September 26, 2011. This is more procedural than anything else. We need to adopt the work they did. Their findings weren't disputed but there were some conversations about their recommendations. The first one is more procedural. The second one is authorizing staff to develop a new MWSBE program utilizing both race and gender neutral measures and race and gender conscious measures to remedy the disparity documented in MGT's Disparity Study Update Report, consistent with the legal opinion issued by Tydings & Rosenburg. That was Franklin Lee's company. Those are the two actions so at the end of this short discussion, I would like to have a vote on that and that will position us to get this to City Council. The reason why we are asking you to direct staff is that was a lot of work and as you might imagine, it is a very broad policy, a very important policy and we want to take some time to understand every aspect of it. I will turn your attention now to the work plan that our SBO staff, along with our legal team and departmental advisors for the SBO policy have worked on for the last couple of weeks to figure out.

Mitchell: Action Item A, accept and adopt the findings. Cindy, can you, for I know this is more of a legal detail, can you elaborate on Action Item A?

White: The reason we have that is that in order for Council to adopt a race and gender conscious program, you have to accept the findings that are the basis for that. There has to be legally a factual predicate on which a program like that is based. This is part of that process, having you adopt the findings before we are asked to go forward and create a program.

Howard: It seems like adopting it; does that mean that we accept their recommendations which don't go as far as to say that it would support Action B?

White: What you are adopting is the findings. We specifically did not say the recommendations. You are only adopting the findings.

Howard: What if somebody said you are adopting these findings and they had these conclusions, why did you go on to step B?

White: Well, we have to have some factual predicate to have a race and gender conscious program and those are the only findings that we have and those findings according to Franklin Lee do support having race and gender conscious measures, but it is very important that we have that statistical basis and that Council actually adopts that and so these are our findings on which this program will be based.

Howard: Are these findings strong enough to do B? Wouldn't it be the work both consultants did that leads us to support this? I'm just wondering if you do the MGT, don't you need to do the Franklin Lee, the Tydings & Rosenburg? Does that need to be in the first one as well?

White: I don't think it needs to be in the first one because he did not do any independent factual findings. He looked at the evidence that MGT had and MGT gathered the facts and did the statistical sort of science part of this and then he and Vince Eagans had conflicting legal conditions.

Richardson: I will direct your attention back to the project work plan and schedule, which is divided into three sections. One speaks to internal staff review along with feedback incorporated from the Disparity Study Advisory Committee. The second section speaks to external feedback and work we do in the fall of the year outside of the Disparity Study Advisory Committee which is made up of many of these organizations, but broader outreach to prime contractors, sub-contractors and a host of organizations, many of them make up the Disparity Study Advisory Committee, but we still think it is valuable to get really broad community input. It also includes the City's Business Advisory Committee. The final section really speaks to the final steps for program adoption. We want to bring back the program draft to you, have you take a look at it a couple of times and then if you are comfortable to recommend to the full City Council. The final thing I will say is that we understand the need for frequent updates around this table so every month we plan to be back in touch with you on

how it is going; here is what we are doing, just to give you an update so you can answer questions from your constituents if you are asked. Let me just talk about a couple of suggestions that Mr. Mitchell made earlier. Cindy and I talked briefly before the meeting and I'll talk about a couple of changes. The City Council Budget Retreat occurs in the first week of February. We don't know but we assume there will be discussion along the way, and in fact, we plan discussion of staffing and resources needs over the summer. Anticipating questions about staffing and resourcing, we think it is important that you go to your Budget Retreat with a new program being considered and perhaps adopted by the City Council. Because of that, we will propose an amendment to this schedule and that is from October to Thanksgiving, the end of November, we will do that middle section of stakeholder input and we will begin in December to the end of January, bring back a program for your consideration and adoption so you go to the Budget Retreat knowing what you are looking at in the program. That is the schedule we will try to commit to.

Howard: This is really just more input than anything else? It seems like if it was going to be a hybrid program where it actually tries to deal with the larger disparities where we are trying to fill those gaps, it seems like it needs to be flexible and I'm trying to figure out how do we get the information we just got from the Disparity Study on a regular basis so we know when one line of business is doing better than the other and there needs to be some adjustments. Do we just go with what the disparities are now, do another disparity study in four years and then adjust? How do we make this into a hybrid so it goes to where the highest disparities are all the time or on some consistent basis and not every five years when we do a disparity study?

White: That is something that we will have to figure out from data standpoint as we implement the new year key system and as we try to look more closely as we go through this at what our utilization is. Part of what we will have to decide is how frequently we will adjust those numbers, but I think you made an excellent point; we should not rely on these numbers, at least with respect to utilization for the whole five-year period. If it turns out that utilization really dropped with respect to a certain category, we will need to do more in that area. If a category goes way over what you would expect then you may have to adjust that. Availability, I can't tell you that once we get this new system we won't have any more disparity studies because probably the most difficult part of the Disparity Study is assessing that availability. With our new systems, we will be providing some data on availability and it will be better data than we have right now. I think we will probably still need to have someone come in and help us assess that availability side. Hopefully, utilization will get a lot of better going forward.

Howard: It seems to me Mr. Chairman that in order to stand up as a good program, it needs to be flexible and really be telling us what our disparities are on an ongoing basis.

Mitchell: To Councilmember Howard's point, I think we do the Quality of Life Study, at least wait on the census, we got smart, we adjusted the quality of life around UNCC and now we do it every two years so I think his point is well taken. When do we look at the data once again? Staff, you all think about it and come back with a recommendation because you are hearing clearly from the Committee, five years is way too long to wait and do an analysis.

Richardson: Part of the discovery and work over the summer, the fifth sub-bullet down under the policy items is called tracking and monitoring, I would say in that discussion this needs to be addressed.

White: Part of the program will address what is reported to Council and how often, so you will be getting some reports of some nature going forward. They will be tracking that.

Mitchell: I know we've got a full agenda and I don't want to rush through, but I want to make sure everybody is clear. Is the Committee okay with the changes in the schedule and the timeline?

Cooksey: Basically no.

White: I would like to say with response to Councilmember Howard's comment on the first item, because that did cause some confusion about the findings, I think you may want to ask us to clarify that in your motion a little bit more with respect to what actually goes before Council. It was clear to me, but if it was not clear to you, then I think it needs to be written in a way so there is not going to be anyone having that misunderstanding. I will be glad to go in and make that a little bit better.

Mitchell: Cindy, let's have the word adopt because if we don't have that in there then we go back to almost what we got into in 2002 that we did not adopt the findings of the Disparity Study.

White: Right, we have to have adopt. I don't want to change that, but I would like to add some definition around so there is no misunderstanding is the word "findings" because to me that is the factual finding, but I think we can be a little bit more specific than just findings to make clear that it is not picking up the recommendation.

Mitchell: Can I get a motion to recommend to Council A and B to the June 25th Dinner Briefing?

Richardson: What we had planned currently if the agenda allows, a Dinner Briefing on that night and in the meantime next week we will take the liberty of sending a memo out to the full Council so they will know what is coming on June 25th ahead of the Dinner Briefing.

Howard: So move with the understanding that assuming you will work on A.

White: Findings language.

Mitchell: Moved and properly seconded to recommend both A and B with the City Attorney making some changes to the language on Item A.

VOTE: Recommend to City Council to accept and adopt the findings of MGT of America, Inc.'s 2011 Disparity Study Update Report, and direct staff to draft a new MWSBE program that utilizes both race and gender neutral measures and race and gender conscious measures to

remedy the disparity documented in MGT's Disparity Study Update Report, consistent with the legal opinion issued by Tydings & Rosenburg, with added definition around the findings. The vote was unanimous with Mitchell, Howard and Mayfield voting in favor. Cooksey was against and Mayor Pro Tem Cannon was absent for the vote.

II. Subject: Business Investment Program Review

Kimble: This one has been hanging around for a while and there have been some questions in the recent months. Remember, this was one where you were going to hold a joint committee meeting with the County, but there is no committee now at the County. So what we think you need to do is on your own and we have County staff, thanks John for being here and we have Justin Hunt from the Chamber in case there are questions. We wanted to have a wash discussion of what is the current program, what are some of the issues we face and what are some of the suggestions we might lay out there. Peter Zeiler is here to present this and it is question and answer time and time for your input and your conversation.

Zeiler: We will go over the program, give you a good review of it and make sure everyone is fully up to date, take you what we are seeing as our proposed updates, what we are seeing as real role responses and then take you through what the next steps are and how we do that to finish up this process.

The Business Investment Program was created in 1998 in partnership with the County. It is our primary tool for attracting jobs and investment to the City of Charlotte and the County of Mecklenburg. This is a program that we do not go out and specifically market ourselves. This is something we do in partnership with the State Department of Commerce, the Charlotte Regional Partnership and the Chamber of Commerce. It provides a grant that is based on the amount of new property taxes generated by the business so they are not exempt or they are not given any sort of benefit or existing taxes. This is only new investment coming into the City. We have thresholds around the number of jobs created, how much investment has to go in and how much those jobs pay and they are often used to match State incentives. A lot of State incentive programs require a local match, and if we can't match it locally, the State can't play and then we are out of the hunt for those projects. This match shows what we call our Business Investment Zone, shown in blue. This is where the program is largely centered; businesses locating inside that zone are eligible for this program, either inside the blue area or within a ½ mile from one of our designated transit areas.

Mitchell: Didn't they expand the boundaries? Oh, that is the Business Corridor funding, sorry.

Zeiler: You will notice that it does cover some of these areas covered by the business corridor, but it also encompasses the Westinghouse submarket which is where we have a lot of really good industrial and office space. Eligible clusters for this program include manufacturing, corporate headquarters, logistics, emerging technologies and industries, financial, insurance and other professional services. We have two grant categories. There is a standard grant and then there is a larger impact grant. We'll go through the differences of those two. The standard grant requires a minimum of $3 million of capital investment and

that can be split between real property or business personal property. You are required to create a minimum of 20 new jobs with an average wage equal or greater to the Charlotte Metropolitan statistical area average wage. So we look at what the average wage is for everybody working within the Charlotte Mecklenburg statistical area and you have to be at that level or higher. The term is for three years and you create a grant equal to 90% of the new incremental taxes paid. If you are in a facility that is already paying $2 million in taxes and you invest $6 million in new investment, you get 90% of the taxes generated from that new investment of $6 million, not the combined $9 million.

Howard: That is the issue we have with attracting headquarters, a company that just opened their headquarters here that they are not making that level of investment so there is really no money to go back to them?

Zeiler: Yes, and that is one of the slides we will get to in a few minutes to talk about some potential work around that.

(Presentation slides on Page 4). The larger impact project recognizes the fact that there are going to be larger projects that we need to step up the game a little bit on trying to attract. The target thresholds for our large impact grants are a minimum of $30 million in investment, creating 150 new jobs and an average wage equal to 125% of the average wage for the region. Projects outside of the business zone are eligible but they only get a 50% grant instead of 90%. If you are inside the business investment zone, it is still a 90% grant. The key difference here is that it goes from three years to five years.

This is just a couple of quick images **(last slide on page 4)** to show you where and how the grants are laying out. By far the largest sector is manufacturing followed by professional services and research and development. Most of the grants are going to companies employing 100 or more people, 59% of those and we've got a couple that are smaller in the under 20 employment range. The key here is that 85%, and you've got about 20 to 22 active grants right now and 85% of the total grant value is locked up into five very large projects. Siemens Energy, SPX, Time Warner, Electrolux and Celgard. Part of what needs to be considered in this also is every single one of those is some sort of phased or multi-year grant. You have a Phase 1-A and a Phase 1-B for Siemens. Time Warner you have approved three separate grants based on an original initial agreement. These are representing a series of investments that these companies are continuing to make into our community.

Mitchell: These five are considered the large impact grant so they have a five-year grant term, correct?

Zeiler: Yes, these are all of the large impact grants. These are the top five and we wanted to make sure that you understood that these top five represent 85% of the total value that we have committed to in our incentive program.

Richardson: Let me point out a couple of exceptions. We've updated the program every two or three years. Time Warner Cable has a ten-year grant and will wrap up in a couple of years.

Siemens, there was a policy exception made for the large manufacturing plant, that may be ten years if I'm not mistaken, but all of these go in a category of large impact projects.

Mitchell: The tough issue for us is sometimes on the new job is being able to explain to the citizens how many jobs are local and how many jobs will be relocation. The more we can do a better job to advertise that, the more accurate it helps us because we've had certain situations where we advertise 400 jobs and actually it's only 100.

Howard: I know we are jumping all over the place and I apologize for that, but what I hear a lot of times are not how many of them is local, but how do I get them. One of the things that Mr. Mitchell pushed on Chiquita was that job fair and it's almost like that should be a standard. It is hard to tell the citizens we are doing this with taxpayer money, but they don't know how to get at the jobs.

Mitchell: Brad, I have to give you a lot of credit for that because when we reached out, you got in touch with the Workforce Development Board. Mr. Howard is right, we create a corporate checklist and we work with the Chamber, but the more we can integrate that as much as possible in a nice way. We don't want to force it. We want someone to say I'm coming to Charlotte, I'm going to be a good corporate partner and I would like to hire some local people.

Richardson: Some company's corporate headquarters and high skilled manufacturers will never do an old style job fair. You need to recognize that. They won't do an all call, come to the Grady Cole Center and line up, and let's start. They won't do that. Some will and those companies who will not do that by practice and I think that is many of the high tech and corporate headquarters that will. We've had success with this Charlotte Works, which is the new name of the workforce board doing what is called an online portal so chiquitacharlottejobs.com was one in the wake of Chiquita's announcement where everyone in the community was invited to fill out an online application showing your skills, your background, your education and then everyone in the community had an opportunity to do that. The company then would match that or Charlotte Works would match the skills with the needed jobs so that was an improvement, led by your action at that Council meetings. Some companies that are eligible for the program may do an older style job fair and we will work hard to do that. These would be companies that have lots of jobs and skills are transferable for many different educational backgrounds of people, so we will do that. I have been working with Peter's help and the County's help on something new for our contracts. They will be called, for the lack of a better word; "encouragement clauses" so that every grant we write going forward, we think is a good practice. It will mirror some things other states and cities have done and will encourage the company to do several things, one of which is hire locally and one of which is the youth, minority women-owned businesses and the third thing would be to demonstrate corporate giving in our community. This is a result of your work on the good corporate citizens' policy that you adopted so we didn't let that sit. We put that into action and I must say, and Justin will tell you from the Chamber, these have to be and remain encourage clause. The day you tell us to make these mandatory, we'll have problems, but we want to show the company that there are ways and we care about these things in our community.

Howard: I don't if this one is a requirement. One of the requirements we like to see is they hire some local and that is something that Council is always looking for. If they are going to hire local, they need to be clear about how they plan to go about doing that. All I'm asking is for that to be clear with our vote on it so I can tell somebody when they call me, this will be how they will go about doing that. If it is not a job fair or whatever it is, if you are going to hire this many local, how do you plan to make that happen. That is all I'm asking so it is kind of clear what to tell people. I'm saying flush that one out. If you want to do a job fair, fine, but how are you going to do it. That is small in comparison to the rest of this budget and it is a question I get a lot.

Mayfield: When we offer incentives and what we are saying is that we can't mandate. Why aren't we making the incentives such that we can put a number on or put a percentage on the number of local hires? Then you qualify for this percentage of an incentive because at the end of the day when we have to go back to the community and we have an example where Charlotte Works did an amazing job with the fair, but I had too many of my constituents call that didn't have any information about Charlotte Works, never received a call back and when they had the job fair, of the 240 select people that were chosen, to my understanding there were 60 immediate hires that day. That is great, but for the rest of the community that is out there, all they say they want to know is okay I've been unemployed a year and a half, two or three years, my tax money is going towards these incentives for bringing these companies but we don't have any clear incentive in place that are tied with percentages on both sides that say okay you receive that 90% if you hire 40% within the zone or you hire 30% within the zone. We can't mandate it, but we can incentivize and put some teeth behind those incentives to make it happen.

Richardson: The only thing similar to that and it is an idea we will consider at your direction of course, we have a similar position on the wage allowed with the City. We will let you have a slightly lower wage if you hire within the blue zone. That is a precedent I guess similar to what you are suggesting. We will work on that.

Mayfield: Is that something that as a Committee I need to put in the form of a motion for you all to move forward with?

Richardson: In my opinion, not necessarily today, but we will make a note and come back to you the next time we come with feedback on that particular recommendation.

Howard: I think what I'm hearing from this part of the conversation is that it is one thing to recruit a great new company that gives us the bragging right, but it is also how we strive to help the job situation. I think that is one of the things that we hear a lot more about right now and want to make real in some kind of way, so we are asking you to get to the bottom line of the job needs.

Zeiler: **(Presentation – last slide on page 5).** We have five proposed updates, things that staff has seen and has been talking about with partners with the Chamber and Regional Partnership. The first is looking at expanding the Business Investment zone geography. We

would like to explore replacing the current Business Investment zone with the Quality of Life study map, basically saying where are neighborhoods that are challenged that would be right for good investment. This allows us to do a number of things. It preserves the business revitalization geography so we still have the business corridor largely in there. It still preserves our ability to do things in the Center City. It keeps our existing Business Investment zone, it keeps the Westinghouse submarket, and it keeps our urban progress and transit station areas in. It adds two good areas; one is some of challenged and transitioning areas, like Nations Ford and Eastland while also adding some of our submarkets that are struggling. Some of our office submarkets like northeast up by University Research Park and down in the southwest by the Coliseum. Areas where we have sufficient space, sufficient square footage to really attract folks but now because of the Business Investment zone program and the way it is growing, good candidate areas are being carved out and not eligible for investment.

Mitchell: Just my comment to staff, I think it simplifies your life and it fills more collaboration that all our policies are working together as opposed to have all these different boundaries.

Howard: Anytime somebody wants to move to town and they want an incentive, if they wanted to go to other job centers, Ballantyne and SouthPark, they would all qualify?

Zeiler: They do not qualify unless they are a large impact in which case they could potentially qualify for the 50% benefit, not the 90%. If we look at this map on the left, the standard incentive is available only in the blue and the red. Looking at it and saying how we expand it, how do we create better opportunities, by picking up transitioning and challenged areas like Eastland and picking up some of our submarkets that are good places that we want to see some investment in, by expanding that geography we can make those happen.

Richardson: That is the red and the yellow census tracts in that diagram, not the green.

Mitchell: To Mr. Howard's point, and I guess this is credit to staff and Council action, one we have a policy to give us a framework and direction, but then we have opportunities like when Bissell came to us, Council had the capability to say this is a once in a lifetime opportunity. I think Bissell didn't follow the framework and policy, but it was such a good opportunity that Council was still able to fund that project.

Cooksey: If you are talking about the bridge. This isn't a bridge, this isn't an infrastructure, this is a grant. Did we go 50% or 90% on SPX?

Richardson: 50% on the office and 90% on the aircraft.

Cooksey: So SPX has a large impact, but to me if Ballantyne and SouthPark find an office area that was restricted under this too, large impact only for 50%. Why does Center City get everything? What is the logic behind that when I perceive Center City to be a thriving office community?

Richardson: Every time we update the policy that policy is a good question. I think the policy is a decade and a half old so the Center City has changed over time. We've always said that Center City is the central hub and we need to take care of the central hub for various reasons, including the goal of having 100,000 employees downtown to support our transit. That is why we latch onto Center City as a different place than perhaps a SouthPark or Ballantyne.

Mumford: Before Peter goes to that slide, the challenged and transitioning terminology will likely change through the update of the quality of life, but essentially what determines a challenged or transitioning area, we will still gather that data, but I don't want you to focus so much on that terminology. The economic impacts in those areas will tie this geography.

Mitchell: Four years ago I had a leadership meeting and I can't remember now the other three categories we had but neighbors were upset because they didn't want to be known as fragile so we got away from fragile and threatened and I'm hearing the good news that we are going to get away from challenged and transitioning.

Mumford: We develop the terminology.

Kimble: As you have so aptly noted on our new Disparity Study Program, a name matters.

Zeiler: **(Presentation continued with slides on page 7).** The second area we want to explore is encouraging better small business support. We would like our BIP grant recipients to work more closely with the City's Small Business Strategy. This again is probably going to wind up being encouragement language, looking to see if there are other incentives, other tweaks we can potentially put into your program that reward and incentivize working with the small business community here. One of the challenges we run into is industry wage standards. You will recall we talked about that; we like to benchmark to the average wage for the region. The challenge is there are a lot of industries that don't meet that threshold, for example, the current manufacturing average wage in Charlotte-Mecklenburg is $33,290 so when our program says you have to be at the current average wage, which $45,610 manufacturers look at us and say I can't give my employees a 50% raise in exchange for a tax incentive.

Cooksey: I have a recollection that there have been times when staff comes to Council with an exception based on manufacturing wage. What is the thought process that goes into making that determination? This is an exception we can carry to Council versus saying flat out no, you are not hitting the threshold and we are not going to make it.

Zeiler: Typically, what we are coming to when we have that exception is there is a larger investment scale than we typically see for manufacturing or it is a company that we feel very strongly about in terms of the number of jobs they are creating, the stability of the company. We would like to be able to get away from having to make value judgments and be able to have a policy judgment that is easier for all of us to get our heads around.

Cooksey: When we follow up on this, obviously you know details, but if you could provide some just general numeric data on companies turned down versus companies that came to

the Council under exceptions. I think that might be useful for us to help create that policy framework you are talking rather than leaving it to a value judgment. We see the ones that make it through the policy filters and I think one part of the data we are lacking that might be useful is what didn't make it through. What did you all say, sorry, this doesn't go to Council, and purely in numbers, not in any way shape or form that would compromise the confidentiality of the company.

Mumford: I will tell you that the list is very small because about two or three years ago we based the decision not to bring one forward on policy and we were told by the Council at the time, you know what, we appreciate that, but that is our call. You bring these things forward, let us know what is different than the policy and we will make the call on whether or not we should approve. We have kind of steered away from immediate out of the box unless it is just an absolutely ridiculous situation but they don't come to us out of the blue, they are vetted by Justin, they are vetted by the Regional Partnership so what comes forward to us is predominantly a viable.

Cooksey: In that case then it sounds like what we are aiming for is kind of a similar situation the Planning Department uses when they do a small area plan. When Council starts approving on a semi-regular basis rezoning that contradicts the base plan that becomes a flag for Planning to say we need to do a small area plan of this area. It sounds like Council is already giving you a policy directive and you are looking to square up the language to match with that, which I think is a fine thing. I hope I'm not misinterpreting what I'm hearing. I think that is good for us to be thinking about in terms of how we are responding to this proposed change. It is striking me more and more that this is a proposed changed in reaction to our actions, not anything else.

Howard: I want to ask that same question to Justin since we have Justin and John. Given these kind of criteria, do you guys just turn people away or do you have people that you send the requirements to and they are just automatically out? Are we losing a lot that way?

Hunt: We routinely vet these projects and we take a look at the criteria and the guidelines of the Business Investment Program in terms of jobs and the investment in new types of property. If the client falls short of that, that pretty much ends the conversation and we don't take it any further. There are instances with respect to this wage issue in which we do ask for exceptions and typically in manufacturing projects we ask that Council, through City staff and ultimately County staff, consider a wage exception and we use that as a benchmark. The average manufacturing wage, which seems to us legitimate because we want not only very high paying jobs, but we want jobs in the manufacturing sector which are definitely needed. That is our mentality.

Howard: Given what Mr. Mumford just said, how many people do we actually end up turning away because they just never make it to the next level?

Hunt: We process a large volume of projects, many of which never make it to City staff.

Howard: The reason I'm asking is I've been concerned for a while that we don't have a tiered approach. I think we are getting there with some of these smaller loan projects that we are trying to do to encourage people to come to town, but I heard about one company that was thinking about coming and they may not have reached this large level, but even at $30,000, there are some people that those are good jobs for. I'm worried about the range of people that we are trying to make sure we get employed. A lot of people we worry about housing for need jobs on a full range and even if we don't mess with this program, it is almost like we need one that deals with small companies that move over here from Gastonia. I'm worried about the range we are getting in Charlotte given some of the other needs. I want to follow up on what Ms. Mayfield said a while ago about this scale thing. If there is some room for a sliding scale approach to this so if we do get somebody that has lower income jobs, you just don't get the same thing but it is still clear we are not saying no.

Richardson: If I'm hearing you correctly, you want to have diversification of job offerings back to your earlier point about matching the skills with that particular community. We will take that under advisement.

Howard: We are saying two different things, this may be lower income jobs with this company and I was saying both. I think we need to figure out how we help people. Small companies are not able to pay that kind of money, which is why I lumped them into that income range as well.

Cooksey: Understanding that premise, I think we should tread cautiously in the notion of incenting jobs that don't improve the overall the salary that is paid in the City of Charlotte. I think as part of our goal and one of the things I've respected about our program as it exists, is that one of its functions is to raise the overall median wage in Charlotte by focusing on companies that are paying higher than that. I do appreciate particularly what you are saying that in these times, any job is better than no job. The consistent policy I think this Council has had, a lot of our incentive and support activity for economic development has been how we improve median wage. One of the things that was back in 2009 and 2010 was that expanded loan program that we did. We limited it to sectors. I tried to say this needs to be open to everybody because basically for a limited time we expanded the geography for that particular loan program, but we kept the limited categories for people to take advantage of it. Council chose to stick with specifying categories and business on the premise that these were economic areas we used to bolster in the city. Trying to factor in policy changes for a longer terms, I think we should be very conscious of a wage aspect and whether or not it is still in our interest to try to focus on improving wages in the city overall rather than saying if you are paying less, I know we've got people who need it so we'll be okay with paying less. I think there are two equally valid things to consider and both sides of it should be considered.

Mayfield: Even though previous Council's made some decisions, those decisions were based on the economic rise that we're seeing. The world has changed since 2008 so looking at the reality that we do a mandate to try to identify housing for all of those in our city, would it be difficult to have a subset in this program that helps those that fall into that manufacturing range of $25,000 to $40,000 and to break it up into those segments so we can be a little more flexible? And still looking at those incentives as far as you are bringing in jobs that are

$50,000 or greater, then you will have a chance for a greater percentage but still have a way not to turn a lot of those organizations, knowing it is not going to be for everyone, we still have to have those minimums and maximums, but to have the conversations where you do not qualify for this but let's have a conversation about this other tier. Creating a tier level that coincides with the incentive based package that we are talking about so we can be more diversified.

Richardson: I think we are hearing your comments and I think we will take them under advisement. One thing I would say, this program is paid for in a sense by the net new taxes so if a really small business makes a very small investment and would hire some people, there is not enough money to really give them anything back. It is not unlike what the corporate headquarters that we are going to talk about in just a moment. They face a lot of high paying jobs but their investment doesn't provide enough revenue to fund any grants. We will be thinking creatively perhaps in the context of the corporate headquarter revisions and maybe going in the other extreme of lower than average jobs, what might be a scenario for those grants.

Howard: Mr. Cooksey brings up a really good point. Right now what you are hearing from me is kind of a reaction from what I'm hearing in the public and what concerns me and keeps me up at night. How that plays into the overall philosophy and goal of why it was established is what you are talking about and if this is not the way to do it, we should say that too. The reason why I asked Justin and John is because we have partners in all of this and we rarely do anything by ourselves so how it plays into what the county is doing and what the Chamber does when it is recruiting, we are way off base and we're just not thinking about something. This is what I'm saying; this is what we are hearing. How do we get it? If it is not this, tell me and we'll keep talking about it some other away.

Cooksey: To his point about small businesses, if we are going to have the entrepreneurial and small business discussion next on the agenda, I think one of the things that have come out of this conversation is how they are two very different kind of beast to deal with. One on the small business side is more about having a fertile ground for growth. In our Business Investment Grants, since we've got those high dollar investments, we look at headquarters with high dollar payroll. We can measure and impact a lot greater. I guess on the micro level, you bring in new small business to Charlotte and they hire two or three people, the two or three people who got the jobs are delighted for it, but with a city of 731,000 people, it is not going to move the needle a lot. These larger projects and these programs that we work on the larger side, part of it is the immediate impact of the hundreds of jobs, but also what we should be taking into account and thinking about is the ripple effect of additional support for small business that comes to the larger business. We've got the slide that talks about ways of doing that more directly, but there is also indirect impacts. When you bring 200 more jobs into town, and this is an interesting aspect from the hire from within versus bringing them from out of town, you bring 200 people from out of town into Charlotte. That is 200 more people who need haircuts, who are shopping in grocery stores, who are driving their car, buying gasoline or riding cabs, one of the other or both so that is another layer, keeping in mind what it is, we are aiming to do with the program.

Mitchell: I think it is great conversation among the Committee and Brad you are right, you kind of make sure we are talking about the industry wage standard and the property tax. I do think as I go forward in your slide, and maybe we are talking about another subject provision so we are not causing so many changes to their policy, but maybe looking to have another provision. Some of us talked about even some attention about growing our own local companies here because some of the push we hear, you paid $9 million to bring in someone from Cincinnati and if you had told me I had $3 million, I could have created 30 local jobs. So how do we grow local companies with headquarters in Charlotte?

Zeiler: I think that is a good introduction into our existing industry requirements. Currently, we have a competition clause so if a company is coming to us and saying we'd like to expand, we'd like to make this investment and hire 100 people, our challenge is our new tax burden is going to make this project less feasible. We have to send them off to other cities and give other cities the opportunity to try to coach them. That doesn't work well for us so what we are looking at here is our competition clause says you have to show that there is a competing offer from another city. If you are an existing business, you are coming to us asking for an incentive, we have to turn to you and say that you need to show us that there is another city out there that is also offering something. If someone on North Tryon comes to us and says we are considering a $3 million investment, we are considering adding 50 jobs, our challenge is by the time we pay new taxes on this, we need a little bit of help with this. We say that is great but our program requirements show that you have to have a competing offer from another city so they drive down to Rock Hill and Rock Hill says here is everything we are going to put on the table, now we've induced them to go looking into other cities instead of saying we like you here, how do we help you. We need to look for ways that we can induce that. We are looking at eliminating the "but for" in terms of looking at other cities.

Cooksey: There again it must be noted that we get into issues of basically companies sustainability. A company wants to grow and it can't do so on its own in the market to what is a wise investment for us to start getting involved in that. I understand the value and one of the things we always say is none of us really like the incentive program and we really wish they didn't exist, but everyone else does it so we have to do them too. If we open that door to say okay your business isn't quite making it you've got an expansion plan but you can't quite put it together, taxpayers will come in goose you a little bit or we will figure out some way to refund you. How many companies can we do that for before we exhaust the sources or we start hollowing things out and at one point it becomes favorites versus not? I appreciate the risk of sending an existing company city shopping and that is bad, but my gut is telling me it is potentially worse if we just say it is open season on getting a tax break to expand your business when there are companies that expand all the time without that sort of thing.

Mumford: This isn't so much just expansion and somebody needs us to expand, otherwise they can't. It is more of a viable company does need to expand. One of their options is to relocate out of the city so this is to save people from leaving the city. It is not without us they can't do it and what Peter is saying is if they are thinking about relocating either here or out of the city, we used to say prove to us there is competition. What we can say is take a look at your business model the plans; we'd rather you would stay in the city. It is not just because somebody wants to expand. It is a protection the tension from moving away.

Mitchell: I think it may be helpful if you have the criteria and maybe that will give some comfort. I totally agree with you and I hear his point. Somebody says they have 30 employees and we give him $1.5 million but he doesn't have but 15. Financially, was he really going to expand, he just saw a way to get $1.5 million. We need to protect ourselves and protect our dollars. I think your discussion and where you are going will be helpful and we can review that again.

Mayfield: I'm going to go back to the statement earlier regarding the incentive because for me personally, the only way that I can see supporting removing the competition clause, because it was there for a reason, and from what I'm noticing where the market is going in a way where what is the next largest amount that I can receive. So we have an $8 million ask, we have a $12 million ask and at some point we have to look at realistically. I am not a fan of what was mentioned earlier about my colleague as far as those 200 jobs that come in may create the overflow in other things. I look at that as those 200 jobs that I brought here if you bring your people, you bring 140 people with you then that is 140 jobs that current Charlotteans are either out there unemployed or under employed don't have a real opportunity. The only way I personally see being able to support removing that competition clause is to put in very strong language around those incentive percentages to know, yes we want you to grow, but what I don't need to see is what I see in my community when I walk into a certain establishment and I talk to the staff and ask them where they live and they live in Belmont, Rock Hill and all these other places and not here in Charlotte. You living there is not helping our tax base to the extent that we would like to see so I can see removing the competition clause if we have very, very strong language around those percentages and around those incentives to do what we are supposed to do and that is to grow our Charlotte area and our region.

Zeiler: The last one that we have been running into and we've got some very recent examples of this is the separate provision for corporate headquarters. Often we are seeing large scale companies coming, 200, 300, 400, 500 people, they are not building a new building from the ground up. They are taking a lease, doing some up-fit and at the end of the day, they are creating a significant number of high value, high paying jobs without a lot of capital expenditure and because our program is based on the amount of capital expenditure and tax on capital expenditure, it makes it difficult for us to create an incentive that is attractive for the corporate headquarters. It also gets us frequently into a situation where the State can only offer something that the City and County can match at a specific ratio, so at that point the State has to diminish how much they are able to offer or how much a project is eligible to get because the local match is so low. One outcome of this is that companies aren't able to grab the entire amount of the State incentive because our match isn't up to where it is to allow that to happen. We don't have specific recommendations on it yet, but we've clearly heard the feedback from other cessions and we want to start working on suggestions to bring that forward.

Cooksey: I don't like these programs at all but I know they are going to be here so I've got to mitigate them somehow. Once again, I have respected about this investment grant program and have defended it and explained it against numerous opponents. I know it is not a rebate

of property tax, but it is structured similar to that. We are funding this incentive grant program technically not with the property tax that we pay, we are funding it with property taxes they pay and I can grasp that and I can explain that and can say we are doing it in a very physically responsible way, which is why this corporate headquarter shift has been giving me a good bit of heartburn. I have got to wonder as food for thought since we are talking about these high number of jobs well above average wages, etc., might there be a way to identify future local sales tax. What is the typical annual spending rate for certain levels of income? You've probably been there already, but perhaps just one measurement to go about identifying what is the source of funds we will be using for this incentive grant. We've got a source of funds for others, how could we structure this and how could we do it in such a way that is explainable. I don't know if that creates enough money, but at least it is a metric that might be usable. One of the things I recall from back in incentive compensation days and someone got his bonus and made the guy who did the installation on the big screen TV very happy indeed and it made our sales tax number better. If that is a way that you can come back to us and talk about what are metrics to evaluate corporate headquarters, I would welcome seeing that kind of number.

Kimble: We are at the same analysis point and that is why we didn't recommend how we were going to do it. We just need to think about a separate category and how you would do it.

Mitchell: Staff, thank you for hearing and responding to some of our feedback. I know it has been a Closed Session, but at least you guys said we heard you loud and clear. I think it is important as our city continues to grow, we do have a pro-business attitude in a very cost effective way that we can show the citizens this is why we are doing this. Chiquita I think made all of us uncomfortable, but at the same time, we found ourselves saying do we tell a corporate headquarters like this no, because you worry about the impact they could make in the market. Charlotte tells headquarters no for what reason. I think it was tough on us and we all wrestled with it and there were issues surrounding the whole deal, but in the end, there is signage they are about to do, so lesson learned. If we can put a nice program together to look for the City to embrace it, but at the same time don't have elected officials walking around feeling guilty about our goal.

Zeiler: We would like to spend the next month to a month and a half having more of these discussions internally, working through some policy suggestions on our side, perhaps doing some market research on how other communities have doubled this. We are not the only community; we are not the only person wrestling with this because all communities across the nation are at this point. We would like to report back to you at the July 19th meeting with some of our recommendations, start bringing some more specifics and get your feedback on those. Some of them we may go forward with very quickly, some we may just want to strike, some you may need to get comfortable with and have more ideas that we need to refine.

Mitchell: Justin, you may want to stay here for the next item – High Growth Entrepreneurship Strategy, but a little bird told me that you were calling it quits and you were going to retire on the golf course.

Hunt: Do you need me to stand in front of the microphone? It is true.

Mitchell: I just want to say thank you for your time with the Chamber in helping this city and we are going to miss you.

Hunt: It has been an honor for me to do this and I've had an extraordinary effective product. We are sales people for Charlotte.

III. Subject: High Growth Entrepreneurship Strategy

Richardson: We've got about 15 minutes left on your agenda. Dan Roselli joined us in the two previous iterations of this topic and what I wanted to do today was share with the Committee just sort of a draft. This is pretty new stuff and Dan has not even seen it, which is not typically how we operate, but what we've done the last year since you directed us to begin working with people like Dan and organizations like the Ben Craig Center, we've been listening really hard. This is hard work but it is fun work and interesting work. What we wanted to do was share with you some early thoughts on what the City's role might be in supporting high growth entrepreneurism. The deliverable back to Council is an actual high growth policy and I'll just say this is our first draft. We will call it that and then we are subject to your comments on it as well. The paper you've got in front of you can be divided in a couple of sections, one is a background, why this is important and what is going on in the community, a lot of it under Dan's coercion and facilitation and pushing from behind and pulling from the head and all of that. The back of the document though is some staff draft answers to that important question about what can the City of Charlotte do to grow and support so let me just talk about the first page first.

I've touched on the background, but there are some important points here. I've already said the first one, about a year ago you asked us to begin working on this because you had a request from an entity in town for some operating funds and it is a good entity and a really good organization called Queen City Forward. You weren't ready at that time without some understanding and some context. We put a rule about where we could historically play. We've historically done a few things really on small businesses large, not high growth enterprises so we've done Small Business Opportunity Program and we've talked about that already. The Small Business Strategy, you've got resources invested there and we've got lending programs and those all speak toward the small business general, not this particular population as Dan and Paul explained last month.

Why a high growth entrepreneurism strategy is important, I hope you will agree after hearing this from Paul Wetenhall, Dan Roselli and Bob Wilhelm last month. The nature of our slow economy for economic recovery requires a different approach and a diverse approach. High growth enterprises have a large potential for positive economic impact. You will recall last month they talked about a survey done in that community by David Jones and Terry Cox and growth even during the recession. According to the University and other sources, we trail peer cities in venture capital deals, federal research dollars and patents issued, another indicator of innovation. Finally, we believe there is a correlation between talent retention/attraction and

entrepreneurial activity. I'm going to put those out as sort of the baseline and there may be other reasons and you may have your own and certainly to put in our policy. We also wanted to document in the last couple of years the tremendous amount of energy and activity happening in this space. I point to Dan's investment in Packard Place, and by the way, Dan's company, Dan is with a company that we gave a Business Investment Grant to, Red F. That enabled Dan to move his businesses from the SouthPark area into the Center City. He used Federal Recovery Act dollars to purchase Packard Place and it is now the community center so Dan has been a partner from the beginning.

Mitchell: Can I just add another editorial? Last night at the Mayor's all access dialogue, the young lady did a fantastic job at the panel discussion.

Richardson: That was Dan's wife by the way.

Mitchell: She did a great job Dan.

Richardson: We talked about in the last 12 months, the Charlotte Entrepreneur Alliance (CEA) was formed, Queen City Forward opened an office in Charlotte with a full-time director. The Chamber of Commerce put entrepreneurial as a work item on their 2012 work plan. Their focus is gaining private sector support as an appropriate role. Venturprise replaced the Ben Craig Center and Venture Challenge has enormous response this year, two incubators are working there now out of Dan's Packard Place building, an energy incubator and a financial services incubator soon will be if not already. This idea you heard last month about Charlotte Regional Development Fund. A proposal was created, the fund hasn't been incorporated yet, but the idea is out there gaining traction. There is some community conversation about that now.

The Question – What strategies can the City of Charlotte utilize to grow the economy? That is important, not to just help start up, but to grow the economy and how we want to look at everything we do through the lens of growing, not just creating jobs, but growing the economy through the support of high growth entrepreneurial start-ups. The first one is not a new one to you; it is actually part of the Manager's recommended Capital Investment Plan, a partnership with UNC-Charlotte for a $10 million up-fit of the bioinformatics center. There were some goals stated around that, but it speaks through increasing the amount of Federal-funded and industrial-funded research dollars in the community. The second one is a new idea too and it is just an idea at this point, but we want to explore a matching grant to the Charlotte Regional Development Fund. This is important and you will recall the last time we talked, the fund continues to evolve in conversations about the scope and breadth and management of it, but what we do know for certain is there will be an equity fund meaning a direct investment in this company's high risk, high return. There will be a foundational side where it will do the things I ascribed on this paper. We think that is an appropriate place for us to play. If you'd like, we will have more conversations about this. A matching grant to be used for the development, awareness and capacity building for local entrepreneurial organizations, events, programs and/or facilities. We would certainly want to say we don't do this alone. We would almost recommend that a model where our money is there only, and if

only, the private sector steps up and provides. I've noted some other ways we've financially participated in the past.

Howard: I asked if it was seed money you are talking about and we are not matching it for seed. I guess what you are saying is it would be based on them having other people that have assessed their risk on another level.

Richardson: We are not recommending that the matching grant from the City ever be used for investments in the companies. As an example, we get request at the staff level for sponsorships for $3,000, $5,000, really small dollars for things like the Charlotte Venture Challenge or conferences and events around town. And think about the Queen City Forward ask from last year, we could answer that with a matching grant to a foundational fund and that foundational fund would be the clearing house for a lot of that conversation. They would have the expertise of saying what we most need in this town is this, this and this and these events, networking sessions or are there any facilities in town that we can help start us moving to.

Howard: What is confusing me is saying that is your grant for the original development fund. The regional development fund is supposed to be a fund that is actually going to be a part of taking risk.

Richardson: There are two parts of it. There is the equity side, investing in the companies. That is the risk side and then where I think the public purpose fund is the foundational side. We would make that clear if you are warm to the idea of exploring that option.

Mitchell: Go back to the two sides; one is the risk side and one what is the other side?

Richardson: It is the equity side.

Cooksey: One of the ways you can summarize it, there is a profit side fund and an education side fund. That is what the foundational concept is, educate and promote.

Mitchell: Can we change the mindset we have in Charlotte about entrepreneurship because one thing we can say about Charlotte is we don't take enough risks. You've got to realize that there are tremendous risks involved and so if James failed the first two times, do we support him the third time he tried. I think everyone in our entrepreneur community is saying Charlotte doesn't have enough mindset. We'll say two years ago you came in and you failed, you are back out here again, maybe not so much a question for staff, but Dan if you think that is true, but work with all of us about how we much change this culture to embrace and support entrepreneurs and not so much of it is half empty so you failed, we are not going to support you anymore, but you learned from your failure the first time, how can we make you more successful. Is that an accurate statement?

Richardson: Part of our third recommendation is related to that. It is letting you become who you are, spoke people for the community, your constituents and making you aware of the arguments for entrepreneurs. That is what this third one really speaks about. Consistent

speaking point to talk about the spirit of entrepreneurism. It is okay to fail, recognizing those who do succeed and the means that we typically do. We don't do that very often, but we should do that more. Attracting angel/venture capital-related conferences and events to Charlotte. We can do that. We have a tourist arm. Participate as hosts and/or speakers and maybe it was my oversight on this, but I have raised the profile to Mayor Foxx on the topic, but certainly it may not be limited to Mayor Foxx, but how do you begin to engage all elected officials.

Cooksey: I really like the point before that one. The Bobcats have to do one thing before we can do that.

Richardson: To you point, it is changing the mindset through the communication that you do in your everyday jobs.

Mitchell: One question for you Pat and Ron – you think about the three items we've talked about today, a new program, Business Investment Program changes and now something that we really need to be in position of entrepreneurship. Can we do it all with the current level of staff or are you all looking at ways to reorganize? This is going to require a lot of work and we have a lot of expectations, instead of disparity study instead of investment grant, but clearly if we look next year we will say entrepreneurship now is thriving well in Charlotte.

Richardson: We've already told you that the Disparity Study outcome may include a request for new resources. We have reorganized our office. We've got a Small Business Services Manager and a small business services office now. We have a redevelopment team focused on business corridors. We can support this work.

Mitchell: I don't want you all mad at the Committee. We applaud you and we support you. It is good work; I just want to make sure there is a lot of love up here.

Richardson: The final two are important but I don't consider these as 4th and 5th in priority, but encourage City departments to seek solutions from local start-ups. This isn't an easy thing to do. We have examples that are happening today. Last night, I was at an event and a UNC-Charlotte start-up, Manwell Binham a healthcare company pulled me aside and said thank you for introducing us to your wellness director. They spent 3 hours with me yesterday looking at my platform and technology for managing wellness. We are doing that and can do that. Jeff Stovall, our CIO is interested in using local technology start-ups. To your point of culture, how can the City's culture get into idea of using local technology companies or other companies to solve our problems?

Howard: Actually I talked to Manwell last night and he was explaining to me how even this investment through the CIP would work because he is actually one of the entrepreneurs informatics areas out at UNCC. You bring up a good point, how do we start and I hate to tie a provision to the $10 million, but there ought to be something that comes back to the City by way to improve our operations too. How can we start to use some of this investment to our operations beyond even what Brad is talking about? Some of the stuff he explained to me is to dissect it and use it as information in ways that people don't think about it right now.

Cooksey: I think Brad touched on something that is very important and that is something that has got to be done at the staff level and whatever push we can do to help with that. That is getting out in the community more. With the folks in this organization who actually do work, not to diminish our sitting around and raising our hands on things, but the folks that actually show in the building and get work done. The more that there are connections with Brad and Jeff and others with the private sector of Charlotte, with the start-up community, with entrepreneurs, with Barcamp, with start-up, it is just basic networking. It is something I think we could do well with. My favorite story on the whole topic comes from a couple Octobers ago. I dragged Bellverie Ross with our CIO Office who is IT Corporate Program Manager on My Charlotte App and if you don't have the My Charlotte App, you should on your smart phone. I made the pitch to Barcamp and said I want to talk open date in general, and as an added bonus if you vote for my pitch, I've got Bellverie Ross here with City CIO Office who will give you a sneak preview about our Charlotte App. We were the top vote getting presentation for the morning. We had about half the people who had shown up that morning for Barcamp in the room for our presentation. I say our to be generous to me, Bellverie was the one who stole the show. The more the talented folks we've got in the organization get out and meet the other people. Dan has been doing some great work to try to make those connections as well as part of what in particular these kids in their 20's and early 30's who are with us, they picked Charlotte to live in. They want to see more reaction of what is going on. Small Business Month expansion was great, all the topics that are being talked, but some of this is a marketing exercise and a networking exercise. It is not necessarily about writing a check it is about spending time and getting to know people and making these connections. That is a much cheaper way to make a 311 call and I had a happy moment and talking about the business I would pick for the small business month and I made a reference to a friend of mine, Jim and the reaction I got, oh yeah, we know him. Making these connections I think will do wonders to help get us where we need to be and understand this more.

Mitchell: I always struggle why we split the $10 million in the CIP, but now since you have tied it to entrepreneurship, I feel more comfortable so I kind of almost wish, and I think we said $10 million for UNCC for informatics but what is informatics and why can't Johnson C. Smith or Queens, but now I see so thank you for explaining that. I am definitely going to shut my mouth about giving $10 million because I understand. It is a multiplier of how those funds will be used to do other projects for us.

Kimble: There is a strong possibility you will own an asset for the value of that $10 million because we've got to figure out the structure of that $10 million. It is not as if you are giving, you are investing and you are an ownership partner in entrepreneurship by virtue of that.

Mayfield: I will admit that hearing it around this table, how it ties in makes more sense to me since I was the one who was going to say, okay let's put that $10 million up on the board and straighten it out because I need more detail on how that was a benefit. Any detail information that can be provide up front when we are moving forward that ties in will be helpful because I need to see how that is going to benefit the community at large I have to go back face my constituents.

Howard: One of the entrepreneurs that is in the building, the building is already constructed and we are talking about up fitting the top floor of the building. There are people out there taking advantage of the space. He is building a medical side of informatics.

Mitchell: Maybe we ought to do it as a part of the community because I think this is new for us. You give me something this Barcamp, how often is that now?

Cooksey: Twice a year, once in April and once in October. There is only one thing that gives me pause about Barcamp is that they have an interesting logo issue I'm trying to help with. They keep swiping the crown for the logo. We can't have that.

Mitchell: Think about it Brad because I like Mr. Howard's suggestion about going informatics because that is a big investment we are making in Barcamp and when it comes up in October maybe that is something we can go visit.

Richardson: The last one is the lowest priority now but I think early on we did hear that what entrepreneurs like are just places, coffee shops, places to get together collaborate and bounce ideas off each other. I don't know that there is a demand for this, but this speaks to the idea of inexpensive work collaboration, but can we encourage that in our business corridors and encourage it and apply it in the business corridor role. It is a role that we may or may not find that it is appropriate to play in but should we have a facility that becomes vacant, we at least want to see if can be used for a short term by entrepreneurs who get together and share ideas.

Mayfield: Isn't that partly what Packard Place is? We already have it and I'm thinking when we look at public/private partnership Foundation of the Carolinas, but during the day they offer the space to non-profits now, free meeting space as far as the uptown area.

Richardson: When Dan's incubator tax base gets full and it is busting at the seams, one day I'd like to have the policy in place that you understand that what we would need next is the place and it would be free rent for instance. We are not using it for a landlord who has received a matching grant and a business corridor funds that up-fit the inside of the building rather than just the façade. It can be used for interim basis to meet a community need. There is not a community need today. I don't believe as we have good facilities that are growing they certainly wouldn't do anything to suppress that growth. It should be part of the policy I would argue.

Howard: I've talked about this a couple times before when I had an opportunity to go to Europe a couple years ago. I went to Barcelona and there was this area called the Innovative District and it makes me start to think about how we start to make this Applied Innovation Corridor that we are talking about down North Tryon really happen. We probably should add something in here about being open to different things that would encourage it in this corridor maybe. What came to mind was a big bar code and people wanted to put bar code on their roof and the fact that Packard already has one on theirs. Who else has those types of ideas

out there that we haven't given a lot of thought to. We probably need to include North Tryon if this is really going to happen, we need to put some energy around how do we attract people and businesses downtown and to UNCC in some real meaningful way. In Barcelona they even dealt with land use because it was about gathering spaces so if several property owners got together they could combine their land use. Their open space requirements in one place with the idea of having these big places where people like to gather and talk about technology and have really creative ways so in some kind of way we need to talk about how to make an innovative corridor real.

Kimble: Because you put the $10 million on here which is part of your CIP, you ought to recognize the $28 million that is also being targeted in the Applied Innovation Corridor area and the opportunity that Mr. Howard just expanded upon possible about land use and gathering places. By the same token, it is part of the overall strategy even as it is even more traditional public infrastructure supporting a geography that might be your future.

Howard: We need to be creative about this area.

Kimble: And reference to the Center City 2020 Vision Plan which identified the Applied Innovation Corridor and that area contained the University.

Howard: I kind of have this feeling that it is going to be on paper ten years from now because we didn't do anything with it.

Kimble: That is why we put it on here.

Cooksey: Another potential answer and this came out of the breakfast back in May. I think we should also be looking into State statutory and regulatory legislation to be part of our legislative agenda or work through the League of Municipalities for legislative agenda too. At the last General Government Legislative Advisory Committee when we got to the end of the meeting and we were just talking to form ideas, the Mayor of Wake Forest noted that the State could have a better approach for environment entrepreneurism and the first thing I thought of was great and the second thing I thought of was competition. The State Capital Gains tax was mentioned and the way it administered, the same way as income tax and that doesn't serve really to promote folks making a lot of risks in the capital gains scenario. His assessment was that given the failure rate, your potential tax by lowering the State capital gains rate, the potential gain is greater than what you lose because more people would take risks and while they fail, this money they wouldn't see anyway, but if they succeed, you will give more money out of it, that is worthy of study. I think that is another element of the approach we can take, is what are the elements at stake, but statutory, regulatory just personnel that we could work with and for the record, the last time I will mention it in this meeting, I actually brought Bill Brawley to a Barcamp and it was interesting.

Kimble: About State legislative initiatives, statutory/regulatory monetary.

Cooksey: Why couldn't that work in there too? The key to a lot of this is just finding the champion in the right organization. This is kind of how some of the Charlotte Regional

Development Fund conversations I've had; the State Treasurer's office is a funding source. They are managing all kinds of funds, they do investment options too. So I think that kind of conversation is already underway with the State Treasurer's office and it is something we might could help because they are sitting on large sums of money that they need to invest and a little bit of it would go a long way for a lot of people.

Richardson: Next Steps – we would like to work through this and come back to you in August, perhaps even an ambitious request for a policy document to take to the full Council in August.

Cooksey: Will we be focused on anything at the end of August other than the DNC?

Mitchell: Let me say personally, Cooksey thank you for being our champ on entrepreneurship. I think it is really helpful to have a policy but have someone on Committee that keeps driving and staff, thank you for doing the heavy lifting. The only thing left is the Business Advisory Committee report and I see Stoney's write-up included in our attachment. I will make one note on the schedule. On June 21st make sure Mayor Pro Tem is here because I will not be present at the meeting. I think we are going to talk about First Ward.

Kimble: The First Ward Daniel Levine Project a lot of it still needs adjustment and some tweaks and the Manager is going to refer that item by virtue of his authority to this Committee and we would like to put that on the June 21st agenda. We talked about that with Mr. Mitchell and he is fine with him being gone for that discussion to take place that day.

Howard: This says on the 21st it is going to be Youth Employment. Is that going to be the Advisory Committee?

Mitchell: Actually, I called it YIC (Youth Involvement Council), but there is a difference.

Kimble: Possible name change and that is part of the mix.

Adjourned: 1:50p.m.

Economic Development Council Committee
June 7, 2012 at Noon
Room CH-14

Committee Members: James Mitchell, Chair
Patrick Cannon, Vice Chair
Warren Cooksey
David Howard
LaWana Mayfield

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. DISPARITY STUDY PROCESS – 15 minutes
Staff: Brad Richardson, Neighborhood & Business Services; Cindy White, City Attorney's Office
Action: Staff will share a proposed timeline and stakeholder input process for updating the City's SBO Policy based upon the Disparity Study recommendations from MGT of America, Inc. and Franklin Lee of Tydings & Rosenburg, LLC. Staff will ask the Committee to recommend the process for City Council approval on June 25.

II. BUSINESS INVESTMENT PROGRAM REVIEW – 30 minutes
Staff: Peter Zeiler, Neighborhood & Business Services
Action: Staff will provide an overview of the Business Investment Program, including potential updates that incorporate feedback from the Chamber and Mecklenburg County. Staff will seek Committee feedback on which program changes merit further study, prior to finalizing recommendations for program updates in July. No action required. **Attachment**

III. HIGH GROWTH ENTREPRENEURSHIP STRATEGY– 30 minutes
Staff: Brad Richardson, Neighborhood & Business Services
Action: Following up last month's presentation from the Charlotte Entrepreneur Alliance, staff will share draft recommendations on ways the City can grow the economy through the support of high growth entrepreneurship. Staff will seek Committee feedback prior to finalizing recommendations for adoption of a high growth entrepreneurship strategy in August. No action required.

IV. BUSINESS ADVISORY COMMITTEE ANNUAL REPORT – (Information Only – Attachment)

V. NEXT MEETING DATE: June 21 at 3:00pm, Room CH-14
Future Topics & Tentative Schedule:

- Youth Employment (June 21)
- Out of School Time RFP Process (July 19)
- Business Investment Program Revisions (July 19)
- High Growth Entrepreneurship Strategy (August 16)
- Disparity Study Process Updates (monthly)

Distribution: Mayor/City Council Curt Walton, City Manager Leadership Team Executive Team

CHARLOTTE

Request for Action

City Council Economic Development Committee
June 7, 2012

Action: Recommend that City Council:

A. Accept and adopt the findings of MGT of America, Inc.'s 2011 City of Charlotte Disparity Study Update Report that was presented to Council on September 26, 2011.

B. Direct staff to draft a new MWSBE program that utilizes both race and gender neutral measures and race and gender conscious measures to remedy the disparity documented in MGT's Disparity Study Update Report, consistent with the legal opinion issued by Tydings & Rosenburg.

If approved, this item will appear on the June 25 City Council Agenda

CHARLOTTE

Disparity Study Follow-up
Project Work Plan & Schedule

Timeline	Actions
June - Sept. 2012	• Review the policies of similar programs that combine both race neutral and race conscious measures. • Review the NC MWBE Program and conduct legal review of NC Statutes governing MWBE participation goals. • Review the following policy items: - Race neutral and race conscious remedies (from MGT and Tydings & Rosenburg) - Goal Setting (Aspirational and Contract Specific) - Good Faith Efforts - Narrow Tailoring - Tracking & Monitoring - Outreach - Vendor Registration - Standardized Citywide Business Processes - Staffing & Resource Needs - New Program Name • Develop a framework for a new MWSBE Policy. • Solicit feedback from Disparity Study Advisory Committee as needed.
Oct. – Nov. 2012	• Solicit feedback on proposed MWSBE Program from the following stakeholders: - Prime Contractors Focus Group - Subcontractors Focus Group - Business Advisory Committee - Metrolina Minority Contractors Association - Hispanic Contractors Association - Associated General Contractors - Metrolina Native American Indian Organization - National Assn. of Women Business Owners
Dec. 2012 – Jan. 2013	• Present recommended new MWSBE Program to Council ED Committee. • Recommend new MWSBE Program to City Council for consideration prior to February Council Retreat • If approved, new MWSBE Program Rollout - Program Implementation - City Staff Training - External Constituent Information Sessions

Monthly progress updates will be provided to Economic Development Committee.

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FY12 Update to the Charlotte-Mecklenburg Business Investment Program

Economic Development Committee

June 7, 2012

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Outline of Presentation

- Program overview
- Proposed updates for further study
- Next steps

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Program Overview

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

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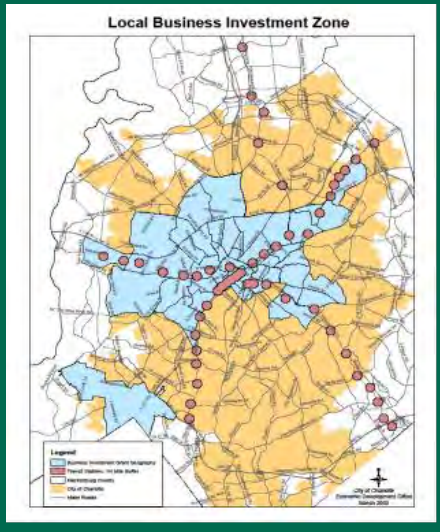
Program Overview



- Investment Zone includes:
  - Business revitalization area
  - Westinghouse submarket
  - Transit stations

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Program Overview

- Eligible Clusters:
  - Manufacturing
  - Corporate Headquarters
  - Logistics
  - Emerging Technologies & Industries
  - Financial, Insurance & Professional Services
- Two Grant Categories:
  - Standard
  - Large Impact

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Standard Grant

- Minimum capital investment of $3 million
- Minimum of 20 new jobs*
  - Average wage equal to or greater than 100% of the average for the Charlotte Metropolitan Statistical Area
  - Can be 80% of the average wage for companies that hire 25% of new jobs from the Investment Zone
- Three year grant term
- 90% of incremental real and business personal property taxes within zone

*Manufacturers can create ten new jobs with an investment of at least $6 million within the Investment Zone

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Large Impact Grants

Target Thresholds

- $30 million in investment
- 150 new jobs
- Average wage equal to or greater than 125% of the average annual wage rate for the Charlotte M.S.A.

- Projects outside of the zone are eligible, but receive a lesser benefit
  - 90% of incremental property taxes within the Zone
  - 50% of incremental property taxes outside of the Zone

- Five Year Grant term

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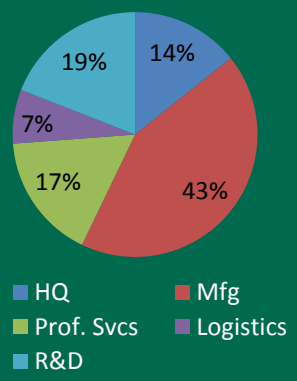
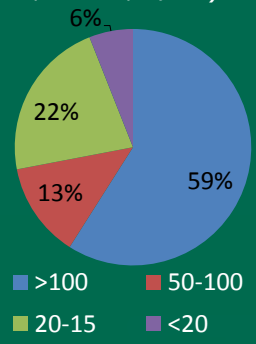
Program History

Grants by Industry Sector



Grants by Company Size

(# of Employees)



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Program History

- 85% of future payment obligations are for the following five large impact projects:

Company	New Jobs	Capital Investment	Estimated Grant
Siemens Energy	1,065	$172m	$5.1m
SPX	180	$133m	$1.4m
Time Warner Cable	870	$98m	$1.3m
Electrolux	750	$8m	$453K
Celgard	130	$66m	$452K

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Proposed Program Modifications

- Proposed updates to the Program:
  - Expand Eligible Geography
  - Include Small Business Support
  - Adjust Industry Wage Standards
  - Explore Eliminating Existing Industry Requirements
  - Add Corporate Headquarters Provisions

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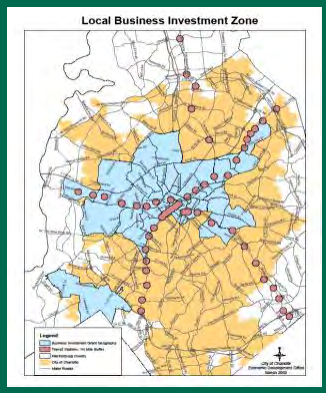
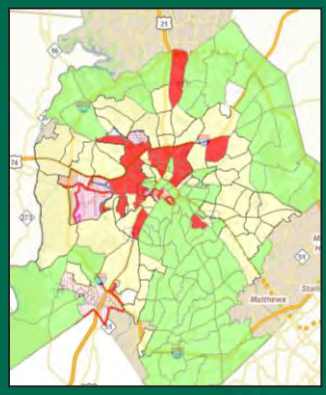
Eligible Geography

- Replace current Business Investment Zone with Quality of Life Study Map





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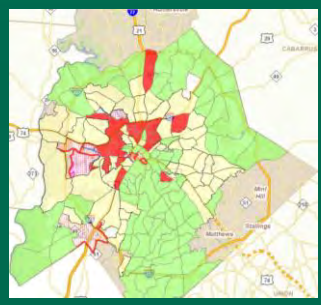
Eligible Geography

- Preserves:
  - Business revitalization geography
  - Center City
  - Business investment zone
  - Westinghouse submarket
  - Transit station areas
  - Urban progress zone
- Adds:
  - Challenged and Transitioning areas (e.g., Nations Ford, Eastland area)
  - Office submarkets with vacancy rates above 25%
    - Northeast (e.g. University Research Park) – 28%
    - Southwest (e.g. Coliseum) – 26%



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Small Business Support

- Encourage BIP Grant recipients to work with local small businesses in support of the City's Small Business Strategy and the FY13 ED Focus Area Objective #4:

  "Work with recipients of Business Investment Grants to encourage the use of local suppliers and target gaps in the supply chain as either business expansion opportunities for local companies or prospects for recruitment"

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Industry Wage Standards

- Lower the wage requirement for manufacturers to the industry average rather than the regional average for all job types

  1) Encourage the continued growth of manufacturing and diversification of industry base
  2) Current average wage for the Charlotte-Gastonia-Concord MSA is $45,610
  3) Current manufacturing wage is $33,290

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Existing Industry Requirements

- Explore eliminating the "competition clause" for existing businesses that are expanding
- Currently, grant applicants must demonstrate evidence that "but for" the grant, the project would locate outside of Charlotte-Mecklenburg
- Often encourages existing companies who need to relocate to look outside of the county for available sites

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Corporate Headquarters

- Add a separate provision for corporate headquarters
- Corporate headquarters have
  - Unique attributes (high number of jobs, low capital investment)
  - Exponential community benefits (above average wages, corporate giving programs, propensity to use local suppliers)

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Next Steps

- June - Discuss with County staff
- July 19 – Staff reports back to Committee with recommendations

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The City's role in supporting High Growth Entrepreneurism

Draft – June 7, 2012

- Background
  - In May 2011, Council requested staff to begin work on an entrepreneur strategy for Council review and consideration. Since that time, staff has worked with leaders in the community to understand and determine the appropriate role for the City.
  - Historically, the City has focused on general small business growth, not specifically high growth enterprises. Past efforts include:
    - Administration of the Small Business Opportunity Program, which helps small businesses, many of whom are minority or woman-owned, do business with the City.
    - Creation of a Small Business Strategy, which focuses on coordinating the efforts of community resource partners and managing a one-stop web portal for small business information and events (charlottebusinessresources.com).
    - Administration of lending programs such as the Equity Loan Fund and the SBE Mobilization Loan Fund, and participation in community loan pools such as the Charlotte Community Capital Fund, and a micro-lending program with Grameen Bank.

- Why a High Growth Entrepreneurism Strategy is important?
  - The nature of the slow economic recovery requires a diverse approach to job creation.
  - High growth enterprises have a large potential for positive economic impact.
  - According to UNC-Charlotte and other sources, Charlotte trails peer cities in venture capital investments, federal research dollars awarded and patents issued.
  - There is a correlation between talent retention/attraction and entrepreneurial activity.

- Unprecedented private efforts are underway
  - In 2010, Packard Place, a community center for high growth entrepreneurs opened.
  - In 2011, Charlotte Entrepreneur Alliance (CEA) was created by local entrepreneurs to support, coordinate, represent and inspire high-growth businesses in Charlotte.
  - In 2011, Queen City Forward, a social entrepreneurship model founded in Durham, opened in Charlotte with a full time executive director.
  - The Chamber of Commerce included entrepreneurial support on its 2012 work program with a goal of gaining private sector support for local start-ups.
  - In 2012, Ventureprise replaced the Ben Craig Center, as UNC-Charlotte's flagship organization to drive entrepreneurial development through a more regional approach.
  - The Charlotte Venture Challenge, the University's business plan competition, received triple the number of applicants and raised over $100,000 in prize money.
  - The CEA launched two sector specific incubators for start-up companies: CLT Joules Energy Incubator & a Financial Services Payment Incubator.
  - A proposal for the Charlotte Regional Development Fund was created to raise $25 million to support high-growth enterprises.

DRAFT

The Question:

What strategies can the City of Charlotte utilize to grow the economy through support of high growth entrepreneurial start-ups in Charlotte?

Potential Answers:

- Partner with Charlotte Research Institute at UNC-Charlotte to accelerate its emergence as a major research university through a $10 million up-fit of the bioinformatics center. Goals include:
    - Goals include increasing the amount of federally and industrially funded research and development in the Charlotte region by at least $2 million per year, generating one to two new companies or products per year, and the development of new types of knowledge worker jobs in Charlotte

- Explore a matching grant to the Charlotte Regional Development Fund to be used for development, awareness and capacity building for local entrepreneurial organizations, events, programs and/or facilities (such as incubators/accelerators). Funds would be matched by private funds.
    - Potential source is the Business Corridor Fund, which funded the development of *CharlotteBusinessResources.com* ($130,000) and a matching grant to capitalize Grameen Bank's micro-lending fund ($230,000).
    - In 2003, a similar structure was used to capitalize the SBE Loan Fund (now, the Charlotte Community Capital Fund) with a $500,000 City contribution.

- Develop a communications strategy for Mayor and City Council
    - Develop consistent speaking points that promote Charlotte's spirit of entrepreneurship.
    - Facilitate recognitions of successful entrepreneurs at Council meetings and on GOV Channel.
    - Attract angel/venture capital-related conferences and events to Charlotte.
    - Participate as hosts and/or speakers at local start-up events and awards, such as Charlotte Venture Challenge, Start-Up Weekend, Barcamp Charlotte.
    - Raise profile of the Mayor on the topic statewide and nationally.

- Encourage City departments to seek solutions from local start-ups with innovative products and services, such as CMU's partnership with InfoSense, Inc., a UNC-Charlotte start-up, for acoustic sewer line blockage detection technology.

- Provide opportunities and incentives for start-ups
    - Encourage the development of inexpensive work/collaboration space for start-ups in the business corridors, or if opportunities arise, underutilized City-owned facilities.
        - Explore a matching grant program within the Applied Innovation Corridor for interior improvements to vacant buildings to encourage low rents for start-ups.

DRAFT

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M E M O R A N D U M
FROM THE
OFFICE OF THE CITY CLERK

DATE: May 30, 2012
TO: Economic Development Committee Members
FROM: Stephanie C. Kelly, CMC, City Clerk
SUBJECT: **Business Advisory Committee Annual Report**

The attached report of Business Advisory Committee is being sent to you pursuant to the Resolution related to Boards and Commissions adopted by City Council at the November 23, 2009 meeting. This resolution requires annual reports from City Council Boards and Commissions to be distributed by the City Clerk to both City Council and to the appropriate Committee for review.

If you have questions or comments for the board, please convey those to staff support for a response and/or follow-up.

Section 6. **REPORTS OF BOARDS, COMMITTEES, AND COMMISSIONS**

The City Council finds it appropriate to periodically review each standing board, committee, and commission to which they make appointments for the purpose of assessing whether said board, committee, or commission should be renewed, dismantled, expanded or its charge redefined. To this end, each board, committee, and commission that is part of the City, or that was established by the City Council, whether acting alone or in conjunction with one or more other local governments, is required to submit annual written reports that must contain in depth reviews of the body's activities, including goals, objectives, successes, problems, and/or the need for City Council assistance. These reports shall be submitted to the City Clerk and will be staggered through the year according to a schedule established by the City Clerk. The City Clerk shall then provide the Mayor and City Council with copies of the reports and refer the reports to the appropriate Council Committee for the Committee's information.

Boards, committees, and commissions that are not part of the City shall submit reports in accordance with the reporting requirements set forth in their contract, if any, with the City.

In addition to required written reports, the City Council may request on a case-by-case basis that an oral report be made to the Council.

CHARLOTTE.
NEIGHBORHOOD & BUSINESS SERVICES

MEMORANDUM

TO: Mayor and City Council

FROM: Stoney Sellars, Chair
Business Advisory Committee

DATE: May 24, 2012

RE: Annual Report of the Business Advisory Committee

As required by the Charlotte City Charter and City Council's current policy for Boards and Commissions, the Business Advisory Committee (BAC) is hereby submitting a report of its activities for the period from May 1, 2011 to May 1, 2012.

Committee Charge:
The Business Advisory Committee is charged to:

- Provide recommendations and advice to Council on ways the City can help business in Charlotte, with a particular emphasis on small businesses.
- Provide a forum for businesses to raise issues, discuss and have input into City policy responses to these issues.
- Provide input and recommendations on the City's Economic Development Focus Area Plan, with a particular emphasis on small business development; city contracting programs; revitalization of distressed business districts; business recruitment, retention and expansion efforts; public/private partnership projects, and business customer service.
- Keep City Council and Key City Department Managers abreast of conditions in the business community and how these conditions might affect business-government relations and needs for public services.

Members, Attendance Requirements, Meeting Schedule:
The BAC is composed of 20 members. The members are appointed as follows:

- One (1) Chairperson by the Mayor from the body of the Committee;
- Two (2) members by the Mayor;
- Six (6) members by the Charlotte City Council representing the following business sectors: Manufacturing, Transportation/Logistics, Financial Services, Technology, Energy, and Healthcare;

  - Disparity Study process and outcome (on-going as of the date of this report)
  - Small Business Enterprise Mobilization Loan Program to assist SBE firms with accessing capital, thereby increasing SBE utilization in City contracting opportunities
  - Key regulatory issues, including customer service, affecting local businesses
- The committee advocated for and advised on the development of a substantive entrepreneurial ecosystem for Charlotte
- The committee played a key role in planning the 2011 Small Business Week celebration, and is pleased to be co-hosting the 2012 Small Business Month kickoff event with the Mayor and City Council.

2012 Work Plan

In January, the BAC approved our work plan for the year, which supports several key initiatives from the Council's Economic Development Focus Area Plan, including:

- Small Business Development
- Business Corridor Revitalization Strategy
- Business Retention, Expansion and Attraction

A copy of the BAC 2012 Work Plan is attached to this report.

In closing, the Business Advisory Committee continues to support the work of City Council and the City's Neighborhood & Business Services Department. Please feel free to contact me directly with any questions related to this report.

Respectfully,

Stoney Sellars
BAC Chair

Cc: City Clerk
Business Advisory Committee
Brad Richardson, Economic Development Manager
Gail Whitcomb, Economic Development Specialist

Attachments:
BAC Membership
BAC 2012 Work Plan

6 Appointed by City Council (C)
2 Appointed by Mayor (M)
5 Recommended by Charlotte Chamber
1 Recommended by National Association of Women Business Owners
1 Recommended by Charlotte-Mecklenburg Black Chamber of Commerce
1 Recommended by Charlotte-Mecklenburg Latin American Chamber of Commerce
1 Recommended by Carolinas Asian-American Chamber of Commerce
1 Certified SBE Recommended by Metrolina Minority Contractors Association
1 Certified SBE Recommended by Hispanic Contractors Association
1 Recommended by Metrolina Native American Association

BUSINESS ADVISORY COMMITTEE

(20 Members)

Membership - Original appointments were made to expire on staggered basis-one,two and three year terms. Terms thereafter are for three years with no member serving more than two consecutive terms. Six members appointed by City Council; five members recommended by the Charlotte Chamber (one from each Area Council) and affirmed by City Council;one member recommended by the Manufacturer's Council and affirmed by City Council; and one member recommended by the Arrowood Association and affirmed by City Council.

On December 13, 2010, City Council changed the structure of the Committee to add a specific focus on small business. These changes increased the committee members to twenty (20) with membership from designated industry sectors, including energy, financial services, health care, technology and transportation/logistics. The seats held by Arrowood Association and the Manufacturer's Council were removed with their representation now thru either the Chamber or the industry sectors. The focus on small businesses was increased by adding members from the certified SBE community as recommended by the Metrolina Minority Contractors Association and the Hispanic Contractors Association. Additional small business focus includes representation from National Association of Women Business Owners, Charlotte Mecklenburg Black Chamber of Commerce, Charlotte Mecklenburg Latin American Chamber of Commerce,the Carolinas Asian American Chamber of Commerce and the Metrolina Native American Association.

Responsibilities - Provide recommendations and advice to City Council on ways the City can help business in Charlotte; provide a forum for businesses to raise issues; discuss and have input into City policy responses to these issues; provide input and advice to business retention planning efforts and implementation of the Business Retention Plan; keep City Council and Key Business Executives abreast of changes in business and business climate, and how that might affect business-government relations and needs of public services.

Member Name * Chairman	Appt. By	Legend	Dist.	Appt. Date	Reappt. Date	Term	Expir. Date
Asian American C of C							
Nimish Bhatt A/M	C		5	01/24/2011		3 yrs	04/28/2014
Black Chamber							
Veronica Giles B/F	C		2	01/24/2011		3 yrs	04/28/2014
Minority Contractors							
Michael High B/M	C		5	01/24/2011		3 yrs	04/28/2014
Charlotte Chamber							
Wil Brooks B/M	C		5	04/09/2012		3 yrs	04/28/2015
Virginia Noelle DeAtley W/F	C		1	04/09/2012		3 yrs	04/28/2015
G. Wesley Jones W/M	C		7	06/28/2010		3 yrs	04/28/2013

Member Name * Chairman	Appt. Legend By	Dist.	Appt. Date	Reappt. Date	Term	Expir. Date
Michael Orzech W/M	C	4	04/28/2008	04/11/2011	3 yrs	04/28/2014
Todd Paris W/M	C	7	01/08/2007	04/13/2009	3 yrs	04/28/2012
Jonathan Utrup W/M	C	4	02/13/2012		Unexp	04/28/2014
Council						
Robert Barkman H/M	C	1	01/22/2007	04/12/2010	3 yrs	04/28/2013
Wesley Carter B/F	C	Y	01/24/2011	04/11/2011	3 yrs	04/28/2014
Linda Daniel W/F	C	Y	09/22/2008	04/11/2011	3 yrs	04/28/2014
Nalan Karakaya-Mulder W/F	C	7	04/27/2009		3 yrs	04/28/2012
Gary LaBrosse W/M	C	6	01/14/2008	04/13/2009	3 yrs	04/28/2012
Saeed Moghadam W/M	C	7	11/14/2011		Unexp	04/28/2013
Hispanic Contractors						
Julio Barriga H/M	C	7	01/24/2011		3 yrs	04/28/2014
Latin American Chamber						
Julio Colmenares H/M	C	7	01/24/2011		3 yrs	04/28/2014
Mayor						
John Bradberry /M	M		06/07/2011		Unexp	04/28/2013
*Stoney Sellars /M	M	6	06/18/2010		3 yrs	04/28/2013
Native American Assoc						
Walter Baucom O/M	C	5	02/14/2011		3 yrs	04/28/2014
NAWBO						
Colleen Brannan W/F	C	1	01/24/2011		3 yrs	04/28/2014

Business Advisory Committee (BAC) 2012 Work Plan

The 2012 BAC Work plan is designed to support the following initiatives within the City Council's FY12 Economic Development Focus Area Plan:

1. **Small Business Development**
   - Small Business Opportunity (SBO) Program (i.e. Disparity Study)
   - Small Business Strategic Plan Implementation
     - Small Business Week 2012
     - Access to capital
     - CharlotteBusinessResources.com
     - Increasing revenue through business to business & buy local initiatives
   - High Growth Entrepreneurism

2. **Business Corridor Revitalization**
   - Corridor Strategy Update
   - Matching Grant Program Revisions (façade improvement; security; brownfield)
   - Charlotte-Mecklenburg Development Corporation

3. **Business Retention, Expansion and Attraction**
   - Revisions to City/County Business Investment Program
   - Diversification & sector based strategies (e.g., energy capital initiative; logistics/distribution via airport intermodal project; international business investment)
   - Improving the business climate through regulatory enhancements & efficiencies (i.e. streamlined permitting; seamless business license process; etc.)