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INFORMATION:

November 10 & 12 – CityLYNX Gold Line Phase 2 Public Meetings

Staff Resources: Juliann Sheldon, CATS, 980-250-9269, juliann.sheldon@charlottenc.gov

Charlotte Area Transit System will host two upcoming public meetings to discuss planning progress on CityLYNX Gold Line Phase 2. Meetings will be held at sites along the corridor on Tuesday, November 10 and Thursday, November 12.

The two public meetings will inform the community on phase two planning updates, construction information, and provide citizens with an opportunity to ask questions.

Information for the public meetings is below:

<p>Tuesday, November 10, 2015 6 p.m. – 7:30 p.m. Johnson C. Smith University Grimes Lounge 100 Beatties Ford Road Charlotte, NC 28216</p>	<p>Thursday, November 12, 2015 6 p.m. – 7:30 p.m. Hawthorne Lane United Methodist Church Evans Hall 501 Hawthorne Lane Charlotte, NC 28204</p>
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New Air Traffic Control Tower Project Update

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

The Airport has been working with the Federal Aviation Administration since 2006 for a new air traffic control tower to replace the existing tower. The existing tower, constructed in 1979, stands 155 feet above ground level and has a 525 square foot controller cab, which accommodates a maximum of seven controllers at a time. From this tower, the FAA controlled 225,000 aircraft operations at CLT in 1979. In 2015, CLT has grown into the sixth busiest airport in the nation, controlling approximately 560,000 aircraft operations. That number is forecasted to grow to 772,000 by 2020 and to 990,000 by 2030. The existing volume of operations and the height of the tower present challenges for air traffic controllers on a daily basis as they manage aircraft movements on the airfield.

In 2014, the Federal Aviation Administration started the design process for a new air traffic control tower located on the south side of the airfield. The new tower will be 376 feet above ground level with an 850 square foot controller cab. The Airport has been informed by FAA that the funding for the construction of the new air traffic control tower has been allocated and the project has been advertised for bid. The Federal Aviation Administration is currently on track to begin construction in first quarter calendar year 2016 with an anticipated commissioning date of late 2019 – early 2020. The Airport will continue to work with the Federal Aviation Administration to move this project forward to meet the Airport’s capacity needs.

Final Report: 2015 Regular Session of the General Assembly

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

Attached is the final report for the 2015 General Assembly.



2015 final report.pdf

ATTACHMENTS:

September 17 Economic Development & Global Competitiveness Committee Summary



EDSummary9-17-15.
pdf



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

November 2, 2015

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

FROM: Dana Fenton, Intergovernmental Relations Manager

SUBJECT: **Final Report: 2015 Regular Session of the General Assembly**

The North Carolina General Assembly convened its 2015 Regular Session on January 14, 2015 and adjourned on September 30, 2015. The House met for 135 legislative days and the Senate met for 137 in the 2015 “long” session.

Summary bill statistics are as follows:

- 1,666 House and Senate bills and resolutions were introduced
- 300 bills were enacted into law
- Two bills were vetoed by the Governor in June, but the vetoes were overturned by the General Assembly and the bills enacted into law

Since there are no additional vetoes to be considered, the General Assembly will not be convening for a special session. Accordingly, the General Assembly will next reconvene on Monday, April 25, 2016 at 7:00 pm for its 2016 “short” session, pursuant to the adjournment resolution (SR 721).

Attached you will find session results described in two documents. 2015 Final Report details the outcomes of issues that have impacts upon the City and is presented in a “report card” format. Each issue receiving a “” indicates that goals were fully or partially achieved, whereas goals that were not achieved receive a “”.

Summary of Relevant Legislation condenses all legislation that the City tracked in 2015 regardless of whether it resulted in an impact upon the City. Legislation is categorized by subject area: 2015-2016 State Legislative Agenda; Administrative & Fiscal; Economic Development; Environmental & Planning; Infrastructure; and Public Safety; and is then further refined into section areas. The summaries are not intended to be “legal analyses” as such are the purview of the City Attorney’s Office.

If you have any questions, feel free to contact me at your convenience.

Cc: Mayor and Council
City Manager’s Executive Cabinet



CHARLOTTE

2015 REGULAR SESSION

2015 FINAL REPORT

2015-2016 STATE LEGISLATIVE AGENDA

- Replacement Source of Revenue for the Privilege License Tax: Support a replacement source of revenue for the business privilege license tax**

General Assembly did not enact a source of replacement revenue for the business privilege license tax

- Stormwater Management: Authorize the City to undertake the same cost effective flood control solutions on private property as was granted to counties with populations of at least 910,000**

HB 141 (Jeter) passed the House prior to Crossover and therefore, is eligible for consideration in 2016

- Street Gang Nuisance Abatement: Amend the North Carolina Street Gang Nuisance Abatement Act to state that a gang injunction shall be reviewed by the Court that issued the injunction one year after being issued, and authorize the Court to extend or modify the injunction upon good cause shown by one of the parties**

SB 60 (Bingham) passed the Senate and House, and was signed into law by the Governor; Section 4 contains the requested provisions

- Civil Service Board: Increase the membership of the Charlotte Civil Service Board from seven to nine members**

HB 70 (Bishop) passed the House and Senate, and was enacted into law

- Charlotte Firefighters' Retirement System: Request technical amendments to the Charlotte Firefighters' Retirement System Act in order to maintain conformance with the Internal Revenue Code**

HB 143 (Bishop) passed the House and Senate, and was enacted into law

- Value Capture: Repeal the Sunset Date of the Special Assessments for Critical Infrastructure Needs Act**

SB 284 (Hartsell) extends the sunset date from July 1, 2015 to July 1, 2020; passed the Senate and House, and was signed into law

ADMINISTRATIVE & FISCAL

Sales Tax Redistribution

Proposals to convert local sales taxes into a state source of revenue and redistribute those revenues on a per capita basis statewide were not enacted; based upon the Senate version of the 2015 Appropriations Act (HB 97), the potential loss of revenue to the City of Charlotte was estimated at more than \$20 million over five years; Representative Bill Brawley of Matthews led the House effort to prevent this proposal from being enacted into law

Eminent Domain / Condemnation

- HB 127 (Stam) amends the “quick take” condemnation process in such a way that leads to more litigation and higher costs to taxpayers; HB 127 was defeated
- HB 875 (Jordan) started out as a statewide measure that required all units of local government lease to obtain the consent of the County Commission prior to acquiring any real property by condemnation, purchase or, even for property located within their corporate limits; final version of HB 875 was converted to local legislation applicable only to Ashe and Watauga Counties

Referendum for Certain Local Debt

HB 128 (Speciale) requires local referenda on most forms of borrowing, including certificates of participation, revenue bonds, project development financing, and special obligation bonds; HB 128 was defeated

Exempt Builders’ Inventory

HB 168 (Hager) provides property tax breaks for developers by exempting, under certain circumstances, the increase in commercial and residential property value during the building process; while HB 168 was improved from the introduced version, the fiscal impact to the City of Charlotte in the first full year of implementation is estimated still to be in the millions of dollars; HB 168 signed into law

Historic Artifacts Management Act

SB 22 (Soucek) establishes procedures for removal of objects of remembrance owned by local governments, which include securing the express approval of the General Assembly; SB 22 signed into law

Local Preemption / Anti-Discrimination and Minimum Housing

SB 279 (Barefoot) conference report included provisions that would preempt local authority to enact ordinances prohibiting discrimination in public accommodations and establishing minimum housing standards; conference report was subsequently withdrawn and the bill amended to remove the local preemption provisions; SB 279 signed into law without the local preemption provisions

ECONOMIC DEVELOPMENT

Municipal Service Districts

HB 97, Section 15.16 of the 2015 Appropriations Act (Dollar) originally created a process for registered voters residing within the districts to petition and vote to abolish municipal service districts without considering the views of all stakeholders of the districts; the final version directs the Legislative Research Commission to study the feasibility of authorizing property owners within a municipal service district to petition for removal from that municipal service district and requires contracts for Municipal Service Districts to require public input and public hearing before entering into the contract, specify contract purposes, and require appropriate accounting; HB 97 signed into law

Film

HB 97, Section 15.25 of the 2015 Appropriations Act (Dollar) increases limits of grants single film and television productions can receive from the Fund; HB 97 appropriates \$30 million nonrecurring funds in each year of the biennium; HB 97 signed into law

Historic Preservation Tax Credit

HB 97, Section 32.3 of the 2015 Appropriations Act (Dollar) enacts a reformed version of the Historic Preservation Tax Credit that was allowed to lapse at the end of calendar year 2014; the credit expires January 1, 2020; HB 97 signed into law

Job Development Investment Grant and OneNC Funds

HB 117 (S. Martin) continues and modifies the major State economic development programs, the Job Development Investment Grant and One NC programs through January 1, 2019; several controversial Senate proposals, including one to limit Job Development Investment Grant grants available to Durham, Mecklenburg and Wake counties were not incorporated into the final version of HB 117; HB 117 signed into law

ENVIRONMENTAL & PLANNING

Extraterritorial Jurisdiction

- HB 44, Section 3, Developments Located in the City and the County of the Local Government Regulatory Reform Act (Conrad) prescribes how city ordinances are to be implemented outside of a city's territorial jurisdiction; the final language was greatly improved over the introduced version that impacted the implementation of City ordinances in the extraterritorial jurisdictional areas of the City; HB 44 signed into law
- HB 51 (Pittman) prohibits the exercise of extraterritorial planning jurisdiction by any city in the unincorporated areas; HB 51 was defeated

Land Application of Biosolids

HB 61 (Pittman) authorizes county governing bodies to impose additional conditions on the land application of biosolids, including some which would be very expensive to wastewater utilities throughout the State; HB 61 was defeated

Protest Petitions

HB 201 (Stam) repeals the "protest petition" statute that requires a three-fourths majority vote of governing body members to approve a rezoning in the event of a qualified protest against a zoning map amendment; in other words, all zoning map amendment cases now require a simple majority vote just like all other decisions of City Council; HB 201 signed into law

Signs

- HB 304 (Hager) and SB 320 (Brown) preempt local authority in favor of statewide standards with respect to the location, height and size of relocated signs and conversion to changeable message signs; legislation appears to open the door to relocating outdoor advertising from industrially zoned areas to commercially zoned areas and allowing such signs to be higher and larger than those allowed under existing local ordinances; local governments were united in their opposition to these measures and were able to galvanize opposition to the bills; both bills are eligible for consideration in 2016
- HB 544 (Brawley) specifies that in an extraterritorial jurisdictional area of a City, the governing board of the city may specify that any signage required by the county ordinance must be in compliance with city ordinances; HB 544 signed into law
- HB 613 (Brawley) clarifies that a municipality is authorized to enforce State law concerning placement of political signs on the State highway system within the corporate limits of the municipality and specifies that signs are not to be placed on a median or traffic island; HB 613 advanced from the House to the Senate

Land Development Changes

HB 721 (Bryan) reforms local government performance guarantee practices by addressing the different forms of acceptable guarantees, procedures for returning or releasing guarantees, maximum levels of required guarantees, and use of guarantees to complete required improvements; Representative Bryan worked very closely with the City to ensure that the changes did not negatively impact City performance guarantee practices; HB 721 signed into law

Computer, Television, and Electronics Recycling Program

HB 765, Section 4.2 of the Regulatory Reform Act of 2015 (McElraft) calls for a study of electronic recycling programs, whereas the original section called for a repeal of the recycling fee paid by computer and television manufacturers that would have led to a shortfall in revenues that underwrite local recycling efforts; HB 765 signed into law

Stormwater Management

HB 765, Section 4.20 of the Regulatory Reform Act of 2015 (McElraft) clarifies requirements for local governments desiring to implement State stormwater management laws; since the City does not implement State stormwater management law, this section does not affect the program implemented by the City of Charlotte; HB 765 signed into law

Design & Aesthetic Controls

SB 25 (Gunn) clarifies when local governments can apply design and aesthetic controls to structures subject to regulation under the NC Residential Code for One- and Two-Family Dwellings; unless the structures are exempt from the law, City Council will no longer be able to take building design standards into account when considering conditional zonings involving structures subject to regulation under the NC Residential Code for One- and Two-Family Dwellings; SB 25 signed into law

INFRASTRUCTURE

State Highway System Lane Reductions

Edition 3 of HB 44, Section 7 sets very high standards for reducing state roadway lanes in order to better accommodate pedestrians, bicyclists and other users of roadways that would eventually result in very few lane miles being reduced; higher standards were included in Edition 3 of HB 44 when the bill went to conference; when the conference report was presented, Section 7 had been omitted; HB 44 signed into law without Section 7

Notice to Property Owners

HB 44, Section 12, Notice to Property Owners Prior to Construction of the Local Government Regulatory Reform Act (Conrad) specifies procedures local governments must take to notify adjacent property owners of new construction projects; local governments worked with sponsors to ensure section would not apply to emergency repairs and routine maintenance; HB 44 signed into law

LYNX Blue Line Extension

HB 97, 2015 Appropriations Act (Dollar) fully funds the State share of construction funding for the LYNX Blue Line Extension at \$25 million annually; HB 97 signed into law

State Transportation Funding

- HB 97, 2015 Appropriations Act (Dollar) eliminates annual transfer of \$215.9 million of highway revenues to General Fund for non-highway uses, which increases transportation funding by a like amount; HB 97 signed into law
- SB 20, Part II, Motor Fuel Tax Changes, stabilizes revenues from the motor fuel excise tax in order to prevent causing major revenue shortfalls in highway and transit funding; Representative Brawley led the House of Representatives in advancing this measure; SB 20 signed into law

Light Rail Project Cap

HB 97, Section 29.41, Maximum Funding Expended for Light Rail Transit System Projects of the 2015 Appropriations Act (Dollar) caps the amount of State funding for any one light rail project to \$500,000; while this does not impact the LYNX Blue Line Extension, it would probably preclude sufficient State funding for any future light rail projects programmed by the Metropolitan Transit Commission; House legislators amended SB 605 to rescind Section 29.41 but the amended bill was not advanced by the Senate prior to adjournment; Representative Brawley was instrumental in securing the amendment to rescind the cap; HB 97 signed into law

PUBLIC SAFETY

Illegal Immigration

HB 318 (Cleveland) prohibits any cities or counties from adopting what are known as “sanctuary city” policies; Senator Tillman (R-Randolph) referred to several NC cities, including the City of Charlotte, during Senate floor debate on HB 318 as “sanctuary cities”, which appeared to be based upon the civil rights ordinances passed by those earlier this year; HB 318 addresses various issues surrounding illegal immigration including application of E-Verify requirements to contractors of local governments and the types of identity and residency documents that are acceptable for use by officers of the court, law enforcement, or other government officials in determining a person's actual identity or residency; HB 318 signed into law

Rental Registration

HB 530 (Brawley) and SB 442 (Gunn) propose to substantially amend the rental registration laws enacted in 2011; among the proposed changes is one that prohibits local governments from requiring all owners of rental properties to register their properties with the local government, which is the surest and quickest way for local governments to notify owners of illegal activities taking place on their properties; the interim provides time for thoughtful discussions between the bill sponsors, shelter community and local governments; Representative Brawley was instrumental in bringing together stakeholders from all sides to discuss the legislation; while neither bill advanced in the 2015 Regular Session, both bills are eligible for consideration in 2016

Indecent Exposure

HB 792 (Bryan) creates new criminal offenses for indecent exposure when the exposed individual is standing on private property; HB 792 signed into law

Transportation Network Companies

SB 541 (Rabon) implements a statewide regulatory regimen for transportation network companies and drivers administered by the Department of Motor Vehicles; the City worked with stakeholders to secure language authorizing airport operators and transportation network companies to enter into agreements for the appropriate use of airport facilities; SB 541 signed into law



CHARLOTTE

2015 REGULAR SESSION

SUMMARY OF RELEVANT LEGISLATION

INTRODUCTION

In the 2015 Regular Session of the General Assembly, City staff tracked over 300 bills and sections of major omnibus style bills (i.e. appropriations, revenue and regulatory reform measures). Those bills and sections of bills are summarized in the following report. The summaries are not intended to be legal analyses as such are the purview of the City Attorney’s Office.

Each bill and section is categorized into one of six subject areas: 2015-2016 State Legislative Agenda; Administrative & Fiscal; Economic Development; Environmental & Planning; Infrastructure; and Public Safety; and then further refined into section areas. For instance, summaries of bills and sections of bills addressing Public Records are in the Administrative & Fiscal subject area, Public Records and Transparency section.

Since there is often more than one bill introduced or sections of an omnibus style bill addressing the same topic, such measures are grouped together, followed by the summaries. Legislation addressing the privacy of mobile telephone numbers provided to law enforcement is an example of such a grouping of measures. The headings are described as follows:

First column lists the bill # and has a hotlink to that bill on www.ncleg.net	Second column reprints the title of the bill or section of bill that is found in the online legislative information system at www.ncleg.net ; Name shown inside parenthesis is the lead primary sponsor of that measure	Third column shows the status of the measure; “ SL 2015- ” followed by up to three numbers indicates the measure was enacted into law; “ Not Enacted ” indicates the measure did not become law, and may or may not be eligible for consideration in 2016; “ Crossover ” or “ Eligible ” indicates the measure is eligible for consideration in 2016; “ Ineligible ” indicates the measure may not be considered in 2016
		

SB 699	Protect LEO Home Address & Other Information (McKissick)	SL 2015-225
HB 477	Law Enforcement Officer Privacy Protection (Malone)	Crossover
SB 516	Law Enforcement Officer Privacy Protection (Tucker)	Not Enacted
SB 485	Law Enforcement Privacy / Public Web Sites (Woodard)	Not Enacted

Several measures were introduced to protect the privacy of law enforcement employees, which was in response to an actual event occurring in Wake County. SB 699 creates a public records exemption for mobile telephone numbers issued by State and local governments to sworn law enforcement officers, nonsworn employees of a law enforcement agency, employees of a fire department, or any employees whose job duties include responding to an emergency. SB 699 also prohibits the disclosure of certain information about a sworn law enforcement officer. SB 699 was signed into law by the Governor. HB 477 and SB 516 are similar to SB 699. SB 485 directs the Courts Commission to study whether cities and counties should remove personal information of law enforcement officers, prosecutors and judicial officers from websites.

2015-2016 STATE LEGISLATIVE AGENDA

The Charlotte City Council adopted its 2015-2016 State Legislative Agenda on December 8, 2014. The City made five requests of the General Assembly including replacement source of revenue for the privilege license tax, stormwater management, street gang nuisance abatement, civil service board, and firefighters' retirement system. The Metropolitan Transit Commission adopted its 2015-2016 State Legislative Agenda on November 19, 2014. The Commission's sole request was for a repeal of the sunset date to the Special Assessments for Critical Infrastructure Needs Act.

Of the six legislative requests, four were enacted into law (street gang nuisance abatement, civil service board, firefighters' retirement system, and Special Assessments for Critical Infrastructure Needs Act). Another was advanced through its house of origin and is eligible to be considered in the 2016 short session (stormwater management). The final request for a replacement source of revenue for the privilege license tax was not successful.

The outcome of each legislative request follows below.

Replacement Source of Revenue for the Privilege License Tax: Support a replacement source of revenue for the business privilege license tax

The 2014 General Assembly repealed the Privilege License Tax effective July 1, 2015. This source of revenue provided NC cities with \$62 million for general fund activities. The City of Charlotte was the largest beneficiary of this source of revenue at \$18 million. The NC League of Municipalities presented the General Assembly with several possible replacement sources of revenue. In addition, HB 903 was introduced by Representative Saine at the request of the NC League of Municipalities to allow cities to enact a ¼ percent city-only sales tax. While HB 903 was never considered, the city-only sales tax idea was considered when the House Finance Committee took up SB 605. The provision was removed from SB 605 after the Committee reached a consensus that a sales tax applicable to only part of a county would be confusing to retailers and the NC Department of Revenue. Ultimately, the General Assembly chose not to take any further action on this request.

Stormwater Management: Authorize the City to undertake the same cost effective flood control solutions on private property as was granted to counties with populations of at least 910,000

[HB 141](#) Stormwater / Flood Control Activities (Jeter) Crossover
HB 141 is modeled after SL 2014-14, which authorized counties with 910,000 or more population to implement flood reduction techniques that result in improvements to private property. The flood reduction techniques include elevating structures or their associated components, demolishing flood-prone structures, and retrofitting flood-prone structures. HB 141 extends the same authority to cities in counties with 275,000 or more population and which have at least one city with 225,000 or more population. The population thresholds allow cities in Mecklenburg, Wake, Durham, Forsyth and Guilford Counties to implement such techniques. The estimates of population used are the most recent estimates certified by the State Budget Officer.

Street Gang Nuisance Abatement: Amend the North Carolina Street Gang Nuisance Abatement Act to state that a gang injunction shall be reviewed by the Court that issued the injunction one year after being issued, and authorize the Court to extend or modify the injunction upon good cause shown by one of the parties

[SB 60](#) No Contact Order / No Expiration (Bingham) SL 2015-91

The City of Charlotte was the first local government to secure an injunction against a criminal street gang that was authorized under the North Carolina Street Gang Nuisance Abatement Act of 2012. The injunction expired after one year, as specified in the Act. However the abatement of gang activity typically takes more than one year. Therefore, the City sought an amendment to the Act to authorize the Court to extend such injunctions for good cause shown. Section 4 of SB 60 accomplishes this goal.

Civil Service Board: Increase the membership of the Charlotte Civil Service Board from seven to nine members

[HB 143](#) Charlotte / Civil Service Board (Bishop) SL 2015-33

Due to difficulties in scheduling disciplinary hearings of the Charlotte Civil Service Board, the City sought legislation to increase the membership of the Board. HB 143 increases the size of the Board from seven to nine members, and authorizes the City, in its discretion, to further increase the size of the Board from nine to eleven members. HB 143 designates the number of appointments to be made by the Mayor and by the Council. HB 143 was effective May 21, 2015.

Charlotte Firefighters’ Retirement System: Request technical amendments to the Charlotte Firefighters’ Retirement System Act in order to maintain conformance with the Internal Revenue Code

[HB 70](#) Charlotte Firefighters’ Retirement (Bishop) SL 2015-42

[SB 137](#) Charlotte Firefighters’ Retirement (Tarte) Not Enacted

Periodically, the City seeks legislative changes in order to keep the Charlotte Firefighters’ Retirement System in conformance with federal laws and the Internal Revenue Code. HB 70 enacts needed technical changes to the Charlotte Firefighters’ Retirement System Act to maintain conformance with the Internal Revenue Code. The changes are necessitated by the passage of federal legislation including the Pension Protection Act of 2006, Heroes Earnings Assistance and Relief Tax Act of 2008, and Worker, Retiree, and Employer Recovery Act of 2008. SB 137 is a companion measure that was not advanced by the Senate.

Value Capture: Repeal the Sunset Date of the Special Assessments for Critical Infrastructure Needs Act

[SB 284](#) Infrastructure Assessments / Extend Sunset (Hartsell) SL 2015-121

The Transit Finance Working Group, which was formed by the Metropolitan Transit Commission, found that the Special Assessments for Critical Infrastructure Needs Act of 2008 would be a viable tool in financing a portion of the local costs of the 2030 Transit Corridor System Plan. In order to maintain the Act as a viable option, SB 284 extends the sunset date from July 1, 2015 to July 1, 2020.

Appropriations and Technical Corrections

HB 97 2015 Appropriations Act (Dollar) **SL 2015-241**

HB 97 enacts the State’s two-year biennial budget beginning July 1, 2015 and ending June 30, 2017. The budget enacts a number of policy provisions in addition to appropriating funds for the biennium. Summaries of relevant appropriation and policy items in HB 97 are described throughout the report.

HB 259 General Government Technical Corrections (Cleveland) **SL 2015-268**

HB 98 Budget Technical Corrections (Dollar) **Not Enacted**

HB 98 and HB 259 make technical corrections to the 2015 Appropriations Act. Summaries of relevant policy items from HB 259 are found throughout the report.

SB 119 General Statutes Commission Technical Corrections (Hartsell) **SL 2015-264**

SB 119 makes technical corrections to the general statutes. Summaries of relevant policy items from SB 119 are described throughout the report.

Sales Tax Redistribution

HB 97 Expand Sales Tax Base / Additional Local Sales Tax Revenue **SL 2015-241
2015 Appropriations Act (Dollar)**

HB 259 Additional Local Sales Tax Revenue Amendment **SL 2015-268
General Government Technical Corrections (Cleveland)**

HB 97, Section 32.18, Expand Sales Tax Base expands the State and local sales tax base to include repair, maintenance and installation services. General Assembly staff estimates that base expansion will generate in its first full year of collections (FY 2017) approximately \$159.5 million for State and \$67 million for local coffers. HB 97, Section 32.19, Additional Local Sales Tax Revenue for Economic Development, Public Education, and Community Colleges directs that the \$17.6 million in State revenues and the \$67 million in local revenue from the expansion of the sales tax base for the Article 39, 40 and 42 sales taxes are to be redistributed to 79 counties and their cities. The 79 counties that benefit are the same counties that would have benefitted from the 50/50 sales tax redistribution plan as proposed in the Senate version of HB 97. Mecklenburg County and its cities will still enjoy Article 39, 40 and 42 sales tax revenue growth from the existing sales tax revenue base. Staff estimates that the Article 43 base expansion will benefit the Charlotte Transit System by approximately \$2 million annually. Section 32.19 was the subject of technical corrections enacted through Sections 10.1 (e1), (e2), (e3) and (e4) of HB 259.

SB 369 Sales Tax Fairness Act (Brown) **Not Enacted**

SB 608 Simple and Fair Formula for Sales Tax Distribution (Rucho) **Not Enacted**

SB 369 and SB 608 are commonly referred to as the Senate “sales tax redistribution” bills. SB 369 and SB 608 convert local sales taxes to a state source of revenue that will be shared with local governments through State General Fund appropriations. The proposed changes in sales tax distributions called for in SB 369 and SB 608 drove the debate on this issue throughout the 2015 Regular Session and were ultimately addressed in Section 32.19 of the 2015 Appropriations Act (HB 97).

Elections

[HB 179](#) Form of Government Changes by Referendum Only (Brockman) Not Enacted

HB 179 seeks to amend the North Carolina Constitution to require that all changes made by the General Assembly to the forms of government and electoral boundaries for political subdivisions and school boards shall be by referendum only, and that changes made by City governing bodies to their forms of government must be approved in a voter referendum.

[HB 373](#) 2016 Presidential Primary (Riddell) SL 2015-258

HB 373 schedules for March 15, 2016 the 2016 Presidential Primary and all primaries that are normally held in May for statewide, General Assembly and local offices. The rationale for moving up the May primaries to March is to ensure that State voters have a hand in choosing eventual major party presidential nominees. HB 943 also directs that the voter referendum on the issuance of up to \$2 billion in general obligation bonds will be held on the same day as the presidential primary.

[HB 402](#) Study Municipal Elections in Even Years (Ford) Crossover

HB 402 directs the Joint Legislative Elections Oversight Committee to study whether municipal elections should be held in even-numbered years.

[HB 826](#) Study Repeal of Second Primaries (Floyd) Crossover

HB 826 directs the Joint Legislative Elections Oversight Committee to study current laws related to second primaries and make recommendations for changes.

Eminent Domain

[HB 3](#) Eminent Domain (McGrady) Crossover

[SB 74](#) Eminent Domain (B. Jackson) Not Enacted

HB 3 calls for a statewide voter referendum to consider amending the North Carolina Constitution to prohibit condemnation of private property except for a public use, which would preclude its use for economic development. Since current State law does not authorize the use of condemnation for economic development, the proposed constitutional amendment does not appear likely to affect City of Charlotte projects. SB 74 is a companion measure not advanced by the Senate.

[HB 127](#) NC Department of Transportation Condemnation Changes (Stam) Ineligible

[SB 425](#) NC Department of Transportation Condemnation Changes (Wells) Not Enacted

HB 127 and SB 425 propose to amend the "quick take" condemnation process. It is believed that the legislation would cause more cases to go to trial and raise local costs for property acquisitions. HB 127 was reported unfavorably in committee and therefore, is ineligible for consideration in 2016.

[HB 875](#) Restrict Municipal Eminent Domain (Jordan) SL 2015-240

HB 875, as originally introduced, requires all units of local government prior to acquiring any real property by condemnation, purchase or lease to obtain the consent of the County Commission. The final version of HB 875 was converted to local legislation requiring units of local government located in Ashe and Watauga Counties to obtain the consent of the County Commission when condemning property outside their corporate limits.

SB 380 **Local Accountability Act (Clark)** **Not Enacted**
SB 380 calls for a statewide voter referendum as to whether to amend the North Carolina Constitution to protect those whose property is being taken by eminent domain by providing that when a local government condemns is not an elected board, a majority of the elected boards appointing it must approve filing of the condemnation action and to also require approval of the governing board of the county where the property is located.

Employee Relations

HB 254 **Protect National Guard Reemployment Rights** **SL 2015-161**
HB 254 extends the reemployment rights of NC National Guard members to members of out-of-state National Guard units.

HB 419 **Protect Officers from Retaliation (Conrad)** **Not Enacted**
HB 419 purports to protect municipal law enforcement officers from retaliation and provides for damages, injunctive relief and other remedies.

HB 605 **Reduce Unfair Barriers to Public Employment (R. Johnson)** **Not Enacted**
HB 612 **Ban the Box (Pierce)** **Not Enacted**
HB 605 and HB 612 prohibit public employers from asking applicants for public employment about their criminal history until applicants have been selected for a job interview.

HB 862 **State Employees / No Payroll Deductions (Lewis)** **Not Enacted**
SB 3 **State Employees / No Payroll Deductions (Hise)** **Not Enacted**
HB 862 and SB 3 repeal State law providing for public employee payroll deductions to employees' associations.

SB 99 **Fire, Rescue and Safety Worker System Changes (Meredith)** **SL 2015-88**
SB 99 makes technical changes to statutes addressing issues pertaining to firefighters and law enforcement officers.

SB 279 **Amend Qualifications / Practice of Counseling (Barefoot)** **SL 2015-279**
HB 443 **Nondiscrimination in Public Employment (Luebke)** **Not Enacted**
SB 612 **Nondiscrimination in Public Employment (Van Duyn)** **Not Enacted**
SB 279 addresses qualification requirements for professional counselors and require that local boards of education address sex trafficking and prevention and awareness. SB 279 was not of issue to the City until the last two days of session when the proposed conference report included entirely new provisions wholly unrelated to the original bill. The new provisions would have preempted local governments from enacting or enforcing ordinances addressing discrimination in public accommodations and establishing minimum standards for habitable housing. The conference report was subsequently withdrawn and the bill successfully amended to remove the preemption provisions. HB 443 and SB 612 add sexual orientation and gender identity or expression to the list of classifications covered by the State's Equal Employment Opportunity law. Neither HB 443 nor SB 612 was advanced by the House or Senate.

SB 676 **Autism Health Insurance Coverage (Apodaca)** **SL 2015-271**
HB 646 **Insurance Coverage for Autism Treatment (McGrady)** **Not Enacted**
HB 646 and SB 676 require coverage of the treatment of autism spectrum disorder through health insurance.

Ethics

[HB 252](#) Conflict of Interest / Certain Relationships (Glazier) Not Enacted

HB 252 adds to the types of relationship between covered persons and lobbyists when a covered person must recuse themselves from certain actions.

**[SB 119](#) MPO / State Board of Transportation Members SL 2015-264
General Statutes Commission Technical Corrections (Hartsell)**

SB 119, Section 72 makes conforming amendments to the ethics requirements of metropolitan planning organization members who also serve on the State Board of Transportation.

[SB 664](#) Study / Local Government Contract Lobbyists (Apodaca) Not Enacted

SB 664 directs the Legislative Research Commission to study the lobbying practices of local governments, regardless of whether the local governments employ legislative liaisons or contract lobbyists.

Finance and Taxation

[HB 41](#) Revenue Laws Technical Changes (Howard) SL 2015-6

[SB 19](#) Revenue Laws Technical Changes (Rabon) Not Enacted

[HB 911](#) Various Changes to the Revenues Laws (Brawley) Not Enacted

HB 41 and SB 19 make technical, administrative and clarifying changes to State tax laws as proposed by the Revenue Laws Committee. HB 911 makes various changes to the revenues laws of the State.

**[HB 97](#) License Plate Agencies SL 2015-241
2015 Appropriations Act (Dollar)**

HB 97, Section 29.32, LPA Contract Standards increases by 2-3 cents per transaction the amount counties and municipalities must reimburse License Plate Agencies for the cost of processing motor vehicle registration renewals and local property tax collections.

[HB 128](#) Referendum for Certain Local Debt (Speciale) Ineligible

HB 128 creates a petition process to trigger a voter referendum before State or local governing bodies may authorize the issuance of certificates of participation, revenue bonds, project development financing, and special obligation bonds. A voter referendum is triggered when 5% of registered voters sign a petition calling for the referendum. HB 128 was reported unfavorably by the House Local Government Committee and pursuant to House rules, is ineligible to be considered in 2016.

[HB 168](#) Exempt Builders' Inventory (Hager) SL 2015-223

[SB 321](#) Exempt Builders' Inventory (Brown) Not Enacted

HB 168 exempts from local property taxes: (1) the increase in commercial property value due to subdivision and other improvements made by the builder, with the exception of buildings erected on the property, for up to five years; and (2) the increase in residential property value of single family homes and duplexes that are held for sale by a builder, including the value of buildings, for up to three years. HB 168 also broadens the definition of a "builder" by repealing the requirement that requires licensure as a general contractor under G.S. 87-1. HB 168 is effective for taxes imposed for taxable years beginning or after July 1, 2016, and it applies to subdivision of or other improvements made on or after July 1, 2015. SB 321 is a companion measure not advanced by the Senate.

<u>HB 394</u>	Increase Options for Local Option Sales Tax (Goodman)	Not Enacted
<u>SB 246</u>	Increase Options for Local Option Sales Tax (Smith)	Not Enacted
<u>HB 518</u>	County Sales Tax Flexibility (Hunter)	Not Enacted
<u>HB 903</u>	County Tax Flexibility / Municipal Revenue Options (Saine)	Not Enacted

HB 394 and SB 246 allow Robeson County to utilize its authority for a ¼ percent sales tax for public transportation instead for public school construction. HB 518 allows counties to use its ¼ percent sales tax for public transportation for other purposes. HB 903 provides authority for cities to levy a ¼ percent sales tax, by resolution, with all of the proceeds being remitted back to the City. A ¼ percent sales city-only sales tax would provide approximately \$26 - \$29 million annually for the City of Charlotte. The intent of HB 903 is to provide a replacement source of revenue for the privilege license tax.

<u>HB 739</u>	Repeal Business License Fees (Brawley)	Crossover
<u>HB 362</u>	Cities / Business Registration (Faircloth)	Not Enacted

HB 739 repeals authority for cities to charge a regulatory fee to businesses that are located in cities. HB 739 was introduced because some cities had intended fees authorized by NCGS 160A-194 as a backdoor way to replace the Business Privilege License Tax that was repealed in 2014. HB 362 authorizes cities to require any business operating within the city's corporate limits to register with the city on an annual basis, which was accomplished previously by the repealed Business Privilege License tax. The city may impose an annual registration fee which shall not exceed fifty dollars (\$50.00), and which shall be used only for the purpose of maintaining the contact database.

<u>HB 922</u>	Video Sweepstakes Regulation & Taxation (Malone)	Not Enacted
<u>HB 938</u>	Comprehensive Gaming Reform (Saine)	Not Enacted

HB 922 creates a license process for the operation of electronic sweepstakes machines, creates fines for violations, and authorizes State and local governments to charge excise taxes on establishments and devices. HB 938 establishes a unified and comprehensive gaming system in the State to regulate and tax electronic sweepstakes.

<u>HB 929</u>	Taxpayers' Bill of Rights (Blust)	Not Enacted
<u>SB 607</u>	Taxpayer Protection Act (Rucho)	Not Enacted

HB 929 asks the voters of the State to consider approving a constitutional amendment that establishes a Taxpayers' Bill of Rights setting forth the process for increasing spending above certain thresholds. SB 607 is similar in that it also calls for the voters of the State to consider approving a constitutional amendment that seeks to limit the growth of State spending, establish an emergency savings reserve fund, and caps the personal income tax at five percent.

<u>SB 159</u>	Corrected Revaluation/Minimal Refunds/Property Taxes (Tarte)	SL 2015-266
<u>SB 566</u>	Disposition of Minimal Tax Refunds (Tarte)	Not Enacted

SB 159 creates a process for the payment of additional taxes by the appropriate owners of record for corrected revaluations and to provide options for the disposition of minimal property tax refunds. SB 566 was incorporated into Section 2 of SB 159.

<u>SB 700</u>	Limit Sales Tax Refunds to Nonprofits (Wells)	Not Enacted
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SB 700 proposes to phase down the sales tax refunds provided to nonprofits. A similar phase down of the nonprofit sales tax refund was included in the Senate version of HB 97, 2015 Appropriations Act, passed by the Senate on June 18, but it was not incorporated in the final enacted version of HB 97.

Legal

[HB 156](#) **Legal Notices / Require Internet Publication (Avila)** **Crossover**
[SB 129](#) **Legal Notices / Require Internet Publication (Sanderson)** **Not Enacted**

HB 156 and SB 129 regulate how much newspapers can charge local governments for publication of legal notices on their websites.

[HB 348](#) **NC Religious Freedom Restoration Act (Schaffer)** **Not Enacted**
[SB 550](#) **NC Religious Freedom Restoration Act (Daniel)** **Not Enacted**

HB 348 and SB 550 seek to ensure that in all cases where State action burdens the exercise of religion, strict scrutiny must be applied, and to provide a claim or defense to a person or persons whose exercise of religion is burdened by State action. Neither bill was advanced due to the nationwide scrutiny of similar legislation in other states.

[HB 352](#) **Standard of Proof / Public Safety Dispatchers (Torbett)** **SL 2015-71**

HB 352 alters the standard of proof for public safety telecommunicators and dispatchers in any civil action arising from any act or omission in the performance of their jobs.

[HB 405](#) **Property Protection Act (Szoka)** **SL 2015-50**
[SB 433](#) **Property Protection Act (Rucho)** **Not Enacted**

HB 405, commonly referred to as the “Ag-Gag” bill, prohibits people from seeking employment for the purposes of engaging in corporate espionage or undercover investigations. HB 405 does not apply to any governmental agency or law enforcement officer engaged in a lawful investigation on the premises or the owner or operator of the premises. HB 405 passed the House and Senate before it was vetoed by the Governor. The Senate and House overrode the Governor’s veto, and it was subsequently enacted into law. SB 433 was not advanced by the Senate.

[HB 483](#) **Land Use Regulatory Changes (Jordan)** **Crossover**

HB 483 amends the land-use regulatory laws of the State by calling for declaratory relief, injunctive relief or other remedies whenever a landowner, permit applicant or tenant is aggrieved by a final decision of an administrative official involving land use regulations.

[HB 765](#) **Environmental Self-Audit Privilege and Limited Immunity** **SL 2015-286**
 Regulatory Reform Act of 2015 (McElraft)

HB 765, Section 4.1, Environmental Self-Audit Privilege and Limited Immunity, enacts new Article 7D in Chapter 8, Evidence.

[HB 885](#) **Let Local Governments Set Local Minimum Wage (Hall)** **Not Enacted**

HB 885 authorizes local governments to set a local minimum wage and to provide for the automatic adjustment of that wage rate on an annual basis.

[SB 22](#) **Historic Artifact Management & Patriotism Act (Soucek)** **SL 2015-170**

SB 22 enacts the Approval and Protection of Monuments, Memorials, Works of Art, etc., which sets forth the procedure for removal of objects of remembrance owned by local governments. The procedure requires the express approval of the General Assembly to remove any such object of remembrance.

Procurement

[HB 44](#) Pre-Audit Certifications SL 2015-246
Local Government Regulatory Reform (Conrad)

HB 44, Section 6, Pre-Audit Certifications, makes technical amendments to the local government finance statutes to accommodate the use of purchasing cards.

[HB 765](#) Study Open and Fair Competition / Water & Wastewater SL 2015-286
Regulatory Reform Act of 2015 (McElraft)

[SB 397](#) Open & Fair Competition / Water & Wastewater (Sanderson) Not Enacted

HB 765, Section 3.9, Study Open and Fair Competition with Respect to Materials Used in Wastewater, Stormwater, and Other Water Projects, calls for a study of piping used in water, wastewater and stormwater projects. The study arose from legislation (SB 397) that would have prohibited public entities from preferring one type of acceptable piping material over another in studying, planning, designing, constructing, developing, financing, maintaining, rebuilding, improving, repairing, procuring, or operating a water, wastewater, or stormwater drainage project that is funded in whole or in part unless sound engineering practices suggest that one type of acceptable piping material is more suitable for a particular project.

[HB 783](#) Define Locally Sourced / Public Contracts (L. Hall) Not Enacted

HB 783 defines “locally sourced goods and services” in the Public Contracts and Purchases and Contracts articles of Chapter 143. HB 783 prohibits bidders for a contract to be let by a municipality or county from stating that goods to be provided under the contract are produced locally or that services to be provided under the contract are provided by local contractors or subcontractors, or make any substantially similar claim, unless the goods are produced, or the contractors and subcontractors based, within the applicable radius, which for cities would have been 50 miles.

Public Records and Transparency

[HB 97](#) Governmental Budgetary Transparency / Expenditures Online SL 2015-241
2015 Appropriations Act (Dollar)

[SB 633](#) State & Local Government Transparency Act (Brock) Not Enacted

HB 97, Section 7.17(b), requires the State Chief Information Officer to “... coordinate with counties, cities, and local education agencies to facilitate the posting of their respective local entity budgetary and spending data on their respective Internet Web sites and to provide the data to the Local Government Commission (LGC) to be published, in a standardized format, on the State budget transparency Internet Web site ...”, which is required by Section 7.17(a). SB 633 is similar to Section 7.17(b).

[HB 97](#) Sensitive Security Information is not a Public Record SL 2015-241
2015 Appropriations Act (Dollar)

HB 97, Section 16A.5 broadens sensitive security public records exemption for public buildings and infrastructure to include “plans, schedules, or other documents that include information regarding patterns or practices associated with executive protection and security”. Section 16A.5 creates new exemptions for records that include “specific security information or detailed plans, patterns, or practices associated with prison operations” and “specific security information or detailed plans, patterns, or practices to prevent or respond to criminal, gang, or organized illegal activity”.

[HB 499](#) Study / Public Records & Open Meetings (Collins) Not Enacted

HB 499 creates the Joint Legislative Study Committee on Public Records and Open Meetings. The purpose of the joint committee is to study ways to improve transparency of State and local government in North Carolina. In the conduct of its study, the Committee shall examine existing State laws regarding public access to government records and meetings and legislation enacted in other states that allow greater public access than currently exists in North Carolina. Final report is due to the 2016 Regular Session of the General Assembly.

[HB 617](#) Lobbyist Expenditure Reports – Transparency (Cotham) Not Enacted

HB 617 requires lobbyist expenditure reports to be searchable online and requires lobbyists and lobbyist principal to provide invoices upon request.

[HB 713](#) Body and Dash Cam Recordings / Public Access (Faircloth) Crossover

[HB 811](#) Study / Law Enforcement Body-Worn Camera (Floyd) Crossover

[HB 395](#) Body and Dashboard Cameras / Law Enforcement (Alexander) Not Enacted

[HB 537](#) Protect Law Enforcement and Community Relationships (Hanes) Not Enacted

HB 395, HB 537, HB 713 and HB 811 address the emergence of the use of body worn camera technology by law enforcement. HB 713 adds dashboard and body worn camera audio and video footage to the definition of “records of criminal investigation” and specifies the circumstances under which such footage may be inspected, examined or obtained by the public. HB 713 is intended to serve as stop-gap legislation while a study of such technology and recommended legislation is made by HB 811.

[HB 749](#) Voters’ Right to Know (Cotham) Not Enacted

HB 749 requires that a written complaint alleging harassment, sexual harassment, physical assault, threatened physical assault, or other unlawful conduct by certain elected officials against a public official is a public record.

[HB 797](#) Alarm Registration Information Not a Public Record (S. Martin) SL 2015-189

HB 797 creates a public records exemption for any registration or sensitive security information received or compiled by a city pursuant to an alarm registration ordinance.

[SB 553](#) Public Records / Access for NC Residents Only (Daniel) Not Enacted

SB 553 limits access to North Carolina public records to North Carolina residents.

[SB 699](#) Protect LEO Home Address & Other Information (McKissick) SL 2015-225

[HB 477](#) Law Enforcement Officer Privacy Protection (Malone) Crossover

[SB 516](#) Law Enforcement Officer Privacy Protection (Tucker) Not Enacted

[SB 485](#) Law Enforcement Privacy / Public Web Sites (Woodard) Not Enacted

Several measures were introduced to protect the privacy of law enforcement employees, which was in response to an actual event occurring in Wake County. SB 699 creates a public records exemption for mobile telephone numbers issued by State and local governments to sworn law enforcement officers, nonsworn employees of a law enforcement agency, employees of a fire department, or any employees whose job duties include responding to an emergency. SB 699 also prohibits the disclosure of certain information about a sworn law enforcement officer. SB 699 was signed into law by the Governor. HB 477 and SB 516 are similar to SB 699. SB 485 directs the Courts Commission to study whether cities and counties should remove personal information of law enforcement officers, prosecutors and judicial officers from websites.

Regulatory Reform

[HB 44](#) **Local Government Regulatory Reform (Conrad)** **SL 2015-246**
[SB 617](#) **Local Government Regulatory Reform (Wade)** **Not Enacted**

HB 44 enacts significant changes to the regulatory authority of local governments. A section of an earlier version of HB 44 restricted the conversion of travel lanes on state-maintained roads to bike lanes, which was eventually removed from the bill. Summaries of relevant policy items in HB 44 are described throughout the report. SB 617 is a companion measure not advanced by the Senate.

[HB 763](#) **Task Force on Regulatory Reform (Millis)** **Crossover**

HB 763 creates the North Carolina Joint Legislative Task Force on Regulatory Reform. The purpose of the Task Force is to solicit, review, and recommend ways to improve the regulatory climate of North Carolina.

[HB 765](#) **Regulatory Reform Act of 2015 (McElraft)** **SL 2015-286**

[HB 760](#) **Regulatory Reform Act of 2015 (Millis)** **Crossover**

[SB 453](#) **Regulatory Reform Act of 2015 (Wade)** **Not Enacted**

HB 765 enacts significant changes to the regulatory authority of State and local governments. Summaries of relevant policy items in HB 765 are described throughout the report. HB 760 was advanced by the House but not enacted into law. SB 453 was not advanced by the Senate.

[HB 836](#) **Election Modifications (Robinson)** **SL 2015-103**

HB 836 repeals licensing for going out of business sales.

Retirement

[HB 274](#) **Retirement Technical Corrections Act of 2015 (Gill)** **SL 2015-67**

[HB 277](#) **Retirement Administrative Changes Act of 2015 (Ross)** **SL 2015-164**

HB 274 and HB 277 make technical and administrative changes to the retirement system statutes.

[HB 276](#) **Agency Participation Procedures Act of 2015 (Ross)** **SL 2015-168**

HB 276 requires that if a bill or resolution contemplates removing a public agency as a participating employer from the Local Governmental Employees' Retirement System, the Fiscal Research Division shall obtain an estimate of cost of the withdrawal liability the agency would owe under procedures established by the Boards of Trustees of the Retirement Systems.

[HB 616](#) **Local Government Employees Retirement COLA (McNeill)** **Crossover**

[HB 759](#) **Retirement System Cost of Living Allowances (L. Bell)** **Not Enacted**

HB 616 provides for a 1% cost of living adjustment to retirees in the local government employees' retirement system in lieu of the 0.625% granted by the Board of Trustees. HB 759 provides a 1% cost of living adjustment to retirees in the teachers' and state employees' retirement system, the legislative retirement system, and the consolidated judicial retirement system.

Risk Management

<u>HB 482</u>	Employee Fair Classification Act (Pendleton)	Not Enacted
<u>SB 576</u>	Fair Competition and Employee Classification Act (Glazier)	Not Enacted
<u>HB 674</u>	Fair Competition and Employee Classification Act (Tucker)	Not Enacted

HB 482, HB 674 and SB 576 propose to reform standards for determining the classification of employees and independent contractors. The bills were filed in response to a series of newspaper articles in 2014 regarding the misclassification of workers as independent contractors and the resultant abuses. HB 482 appeared headed for passage until an amendment was inserted in the Senate that repealed an exemption granted in 2003 that allowed newspapers to treat carriers as independent contractors. When it became clear that the Senate was solidly against maintaining the newspaper carrier exemption, newspapers across the State began actively working to oppose HB 482. Their efforts were rewarded when HB 482 was re-referred to the House Rules Committee so it could be re-worked for the 2016 short session.

<u>HB 666</u>	Workers Compensation / Firefighters' Presumptive Cancer (Saine)	Not Enacted
<u>HB 688</u>	Workers Compensation / Limit Benefits of High Earners (Brawley)	Not Enacted
<u>HB 854</u>	Workers Compensation / Amend Definitions (Wray)	Not Enacted

HB 666, HB 688 and HB 854 propose various changes to the workers compensation statutes. None of the bills were advanced by the House.

<u>SB 15</u>	Enhance Unemployment Insurance Program Integrity (Rucho)	SL 2015-238
<u>HB 22</u>	Enhance Unemployment Insurance Program Integrity (Howard)	Not Enacted
<u>HB 24</u>	Unemployment Insurance Law Changes (Howard)	Not Enacted
<u>SB 16</u>	Unemployment Insurance Law Changes (Rucho)	Not Enacted

HB 22 and SB 15 enhance unemployment insurance program integrity. SB 15 was later amended to incorporate some of the provisions of HB 24 and SB 16, many of which were recommended by the Joint Legislative Oversight Committee on Unemployment Insurance.

ECONOMIC DEVELOPMENT

General

**[HB 44](#) Development Agreements SL 2015-246
Local Government Regulatory Reform (Conrad)**

HB 44, Section 19, Development Agreements, repeals the 25 acre threshold for development agreements and authorizes agreements to be entered into for brownfield redevelopment.

**[HB 97](#) Economic Modeling Initiative SL 2015-241
2015 Appropriations Act (Dollar)**

HB 97, Section 7.14, Economic Modeling Initiative directs \$500,000 to UNC Charlotte to develop and implement an economic modeling capability to facilitate the efforts of State agencies working to create economic development and growth opportunities for the State.

**[HB 97](#) Workforce Development SL 2015-241
2015 Appropriations Act (Dollar)**

HB 97, Section 15.11, Workforce Development Boards / Changes to Conform to Federal Law renames the Commission on Workforce Development the NCWorks Commission and adds a member representing "local elected city officials in the State".

**[HB 97](#) Municipal Service Districts SL 2015-241
2015 Appropriations Act (Dollar)**

HB 97, Section 15.16, Municipal Service Districts / Contracts with Private Agency / Taxes / Study, requires contracts for Municipal Service Districts to specify purposes and require appropriate accounting. Section 15.16 requires public input and public hearing before entering into a contract, which can last for no more than five years, and limits the tax rate for the district to that which will provide for the needs of the district. Section 15.16 directs the Legislative Research Commission to study the feasibility of authorizing property owners within a municipal service district to petition for removal from that municipal service district. The final language was greatly improved over earlier versions.

[HB 943](#) Connect NC Bond Act of 2015 (House Rules Committee) SL 2015-280

HB 943 calls for a vote of the qualified voters of the State on the same day as the presidential primary (March 15, 2016) to consider the issuance of up to \$2 billion in general obligation bonds for a variety of needs including the UNC System (\$980 million), NC Community Colleges (\$350 million), Local Parks & Infrastructure (\$312.5 million), National Guard (\$70 million), Agriculture (\$179 million), State Parks & Attractions (\$100 million), and public safety (\$8.5 million) projects. Local projects authorized in HB 943 include a new science building at UNC Charlotte (\$90 million) and new construction, repairs and renovation at Central Piedmont Community College (\$9,636,457).

Development Incentives

HB 117 **NC Competes Act (S. Martin) **SL 2015-259****

HB 117 continues and modifies the major State economic development programs, the Job Development Investment Grant and One NC programs. The authority of the State to award new Job Development Investment Grants expires on January 1, 2019. HB 117 exempts aviation fuels purchased by commercial airlines from sales and use taxes; exempts datacenter equipment and electricity located and used at the datacenter for datacenters investing at least \$75M within a 5-year period from sales and use taxes; exempts motor vehicle service contracts from sales and use taxes; and extends sales tax preferences for motorsports parts and fuel. The exemption of aviation fuels purchased by commercial airlines will impact the City's General Fund by approximately \$950,000 per fiscal year and the Charlotte Area Transit System by approximately \$750,000 per fiscal year. Several controversial Senate proposals, including one to limit Job Development Investment Grant grants available to Durham, Mecklenburg and Wake counties were not incorporated into the final version of HB 117. Section 6(b) of HB 117 that extends the motorsports parts and fuel sales tax preference was the subject of a technical amendment enacted in Section 5 of the Next Generation 911 (HB 730).

SB 338 **Economic Development / Tax Modifications (Berger) **Not Enacted****

SB 526 **Job Creation and Tax Relief Act (Rucho) **Not Enacted****

SB 338 and SB 526 amend the State's major economic development programs and commence another round of tax reform. Both bills called for limiting the percentage of JDIG funds awarded for projects in a major market community (Durham, Mecklenburg and Wake counties) to no more than twice the county's share of population to the entire State. In the case of Mecklenburg County where the population is 10% of the State total, grants would be capped at 20% of all the grants that can be awarded statewide in any single calendar year. Changes to the State's economic development incentives were eventually addressed in the NC Competes Act (HB 117), and taxation issues were addressed in Section 32 of the 2015 Appropriations Act (HB 97).

HB 14 **Start-Ups Act / New Markets Tax Credit (B. Brown) **Not Enacted****

HB 66 **Sales Tax Exemption for Datacenter Equipment (Saine) **Not Enacted****

HB 89 **Omnibus Economic Development Improvements (Hamilton) **Not Enacted****

HB 108 **Site and Building Development Fund (Stam) **Not Enacted****

HB 305 **Jump-Start Businesses / New Markets Tax Credit (Moore) **Not Enacted****

HB 320 **Small Business New Job Creation Incentive (Goodman) **Not Enacted****

HB 575 **Reenact Qualified Business Investment Credit (B. Brown) **Not Enacted****

HB 848 **Modify Utility Account (Hanes) **Not Enacted****

HB 890 **Attract National HQ to North Carolina (Hanes) **Not Enacted****

HB 907 **Strengthen Military in NC / Mitigate BRAC Risks (Whitmire) **Not Enacted****

HB 920 **Omnibus Economic Development Improvements (Saine) **Not Enacted****

SB 23 **Expand Aviation Sales Tax Exemption (Gunn) **Not Enacted****

SB 35 **Jumpstart Business Startups / New Market Credits (Gunn) **Not Enacted****

SB 187 **Air Carrier Fuel Tax Exemption (Rabon) **Not Enacted****

SB 326 **Increase JDIG Program Funding (Gunn) **Not Enacted****

SB 340 **Economic Development / Job Catalyst Fund (Lowe) **Not Enacted****

SB 342 **Economic Development / JDIG Extension (Lowe) **Not Enacted****

The above listed economic development measures, some of which are similar to provisions in HB 117, were introduced but not advanced.

Film and Entertainment

[HB 97](#) **Modify Film and Entertainment Grant Fund
2015 Appropriations Act (Dollar)** **SL 2015-241**

[HB 171](#) **Modify Film Grant Fund (Davis)** **Not Enacted**

[SB 193](#) **Modify Film Grant Fund (Lee)** **Not Enacted**

HB 97, Section 15.25, Modify Film and Entertainment Grant Fund, increases limits of grants single film and television productions can receive from the Fund, which were originally proposed in HB 171 and SB 193. HB 97 appropriates \$30 million nonrecurring funds in each year of the biennium.

[SB 204](#) **Reenact Film Credit (Lowe)** **Not Enacted**

SB 204 reenacts the credit for qualifying expenses of a production company that was allowed to lapse at the end of 2014. SB 204 was not considered by the Senate. Instead, the General Assembly chose to continue the Film and Entertainment Grant Fund.

Historic Preservation and Rehabilitation

[HB 97](#) **Historic Preservation Tax Credit
2015 Appropriations Act (Dollar)** **SL 2015-241**

[HB 152](#) **New Historic Preservation Tax Credit (Ross)** **Crossover**

[SB 287](#) **New Historic Preservation Tax Credit (Hartsell)** **Not Enacted**

HB 97, Section 32.3, Historic Preservation Tax Credit enacts a reformed version of the Historic Preservation Tax Credit that was allowed to lapse at the end of calendar year 2014. Section 32.3 allows for the credit to be applied to both income-producing and non-income-producing properties. The credit expires January 1, 2020. Section 32.3 was based upon the House passed version of HB 152.

[SB 202](#) **Reenact Preservation Rehabilitation Tax Credits (Lowe)** **Not Enacted**

SB 202 reenacts the preservation and rehabilitation tax credit program that was allowed to lapse at the end of 2014 and set an expiration date of January 1, 2021. SB 202 was not considered. Instead, the General Assembly enacted a reformed version of that program in Section 32.3 of the 2015 Appropriations Act.

[SB 472](#) **Local Incentives for Historic Rehabilitation (Rucho)** **SL 2015-277**

SB 472 amends current State law to allow cities and counties to make appropriations for economic development purposes, instead of just for aiding and encouraging the location of manufacturing enterprises, making industrial surveys and locating industrial and commercial plants in or near such city or in the county; encouraging the building of railroads or other purposes. SB 472 adds the power to make grants or loans for the rehabilitation of commercial or noncommercial historic structures, whether the structure is publicly or privately owned to the list of specifically authorized economic development activities.

Energy

[SB 372](#) **Renewable Energy Safe Harbor (Rucho)** **SL 2015-11**

SB 372 amends the sunset provision for the renewable energy property investment tax credit, providing that the tax credit expires as scheduled under current law on January 1, 2016, unless the taxpayer meets specified requirements related to partial completion of the project, upon which the tax credit will expire on January 1, 2017. The requirements include that the taxpayer submit a written statement to the Secretary of Revenue on or before October 1, 2015 specifying the location and good faith estimate of the total cost, the anticipated total credit to be claimed, and the total size of megawatt capacity of each installation of renewable energy property proposed.

[HB 245](#) **Utilities / The Energy Freedom Act (Szoka)** **Not Enacted**

SB 245 provides that a person who constructs or operates an electric generating facility on a customer's property for the primary purpose of producing electricity, heat, or steam for sale to or for the use by the customer is not a public utility and is not subject to regulation by the utilities commission so long as the facility is sized to supply no more than one hundred twenty-five percent of the average annual energy consumption of the customer at that site.

[HB 454](#) **Energy Investment Act (Jeter)** **Not Enacted**

[SB 447](#) **Energy Investment Act (B. Jackson)** **Not Enacted**

HB 454 and SB 447 extend the sunset date of the current renewable energy property investment tax credit from January 1, 2016, to January 1, 2020. The General Assembly chose not to extend the sunset date and accordingly, the program will expire on January 1, 2016.

ENVIRONMENTAL & PLANNING

General

**[HB 44](#) Prohibit Requiring Compliance with Voluntary Regulations SL 2015-246
Local Government Regulatory Reform (Conrad)**

HB 44, Section 2 defines voluntary regulations and establishes standards as to how such regulations are to be managed.

**[HB 44](#) Leases of Property by Local Governments for Communication Towers SL 2015-246
Local Government Regulatory Reform (Conrad)**

HB 44, Section 9, Leases of Property by Local Governments for Communication Towers amends current laws relating to the leasing of local government property for communications towers.

**[HB 97](#) Rename & Reorganize the Department of Cultural Resources SL 2015-241
2015 Appropriations Act (Dollar)**

HB 97, Sections 14.30 (a) and (b) renames the Department of Cultural Resources Reorganization the Department of Natural and Cultural Resources, and transfers the following divisions, boards, functions, etc. within the Department of Environment and Natural Resources to the new Department of Natural and Cultural Resources: Division of Parks and Recreation; State Parks System, including Mount Mitchell State Park; North Carolina Parks and Recreation Authority; North Carolina Trails Committee; North Carolina Aquariums Division; North Carolina Zoological Park; North Carolina Zoological Park Council; Museum of Natural Sciences; Advisory Commission for North Carolina State Museum of Natural Sciences; Clean Water Management Trust Fund; Clean Water Management Trust Fund Board of Trustees; and Natural Heritage Program, within the Office of Land and Water Stewardship.

**[HB 97](#) Rename the Department of Environmental and Natural Resources SL 2015-241
2015 Appropriations Act (Dollar)**

HB 97, Section 14.30 (c) renames the Department of Environmental and Natural Resources the Department of Environmental Quality.

[HB 576](#) Amend Environmental Laws – 2 (McElraft) Not Enacted

[HB 593](#) Amend Environmental Laws – 3 (McElraft) Not Enacted

[SB 66](#) Amend Environmental Laws (Brock) Not Enacted

HB 576, HB 593 and SB 66 are omnibus style bills that enact various changes to environmental laws.

Annexation and Extraterritorial Jurisdiction

**[HB 44](#) Developments Located in the City and the County SL 2015-246
Local Government Regulatory Reform (Conrad)**

HB 44, Section 3, Developments Located in the City and the County prescribes how city ordinances are to be implemented outside of a city's territorial jurisdiction. The final language was much improved over earlier versions.

[HB 51](#) Justice for Rural Citizens Act (Pittman) Not Enacted

HB 51 prohibits the exercise of extraterritorial planning jurisdiction by any city in the unincorporated areas of the State.

[HB 491](#) **Charlotte / Annexations (Jeter)** **Not Enacted**
HB 491 adds certain property in the Crown Harbor Club subdivision to the corporate limits of the City of Charlotte.

[SB 513](#) **NC Farm Act of 2015 (Brock)** **SL 2015-263**
SB 513 makes a number of changes related to the regulation of agricultural activities, many of which take place in the extraterritorial jurisdictional areas of cities.

Coal Ash

[HB 157](#) **Coal Ash Management Technical Corrections & Amendments** **SL 2015-1**
Amend Environmental Laws (McElraft)

HB 157, Part III makes technical amendments to the Coal Ash Management Act of 2013 (SL 2014-120) to differentiate between the Coal Ash Management Commission and Environmental Management Commission.

[SB 14](#) **Academic Standards / Rules Review / Coal Ash / Funds (Brown)** **SL 2015-7**

[HB 656](#) **Amend Coal Ash Management Act of 2014 (Harrison)** **Not Enacted**

[HB 732](#) **No Recovery for Coal Ash Costs (Ager)** **Not Enacted**

SB 14, Section 7 apportions funds in the Coal Combustion Residuals Management Fund among the Coal Ash Management Commission and Department of Environment and Natural Resources. Section 8 appropriates funds from the Coal Combustion Residuals Management Fund to support five receipt-supported positions in Division of Emergency Management of the Department of Public Safety. Section 9 requires the owners of all high-hazard dams and intermediate-hazard dams associated with coal combustion residuals surface impoundments to submit their emergency action plan to Department of Environment and Natural Resources and the Department of Public Safety no later than March 1, 2015. Owners of dams that are not associated with coal combustion residuals surface impoundments have until December 31, 2015 to file their plans. SB 14 was signed into law by the Governor. HB 656 and HB 732 attempt to amend the 2014 legislation to broaden and speed up closure of coal ash ponds and prevent the recovery of such costs from ratepayers.

Code Enforcement

[HB 44](#) **Cities/Overgrown Vegetation Notice** **SL 2015-246**
Local Government Regulatory Reform (Conrad)

[SB 53](#) **Cities/Overgrown Vegetation Notice (Krawiec)** **Not Enacted**

HB 44, Section 1, makes technical amendments to the procedures for notifying chronic violators of public nuisance or overgrown vegetation ordinances.

[HB 255](#) **Building Code Regulatory Reform (Brody)** **SL 2015-145**

[SB 324](#) **Building Code Regulatory Reform (Brock)** **Not Enacted**

HB 255 amends the State Building Code by changing the threshold for the requirement to have a building permit for any construction, installation, repair, replacement, or alteration from \$5,000 to \$15,000, clarifying official misconduct for code officials, directing that a study of alternative approval methods be conducted by the North Carolina Building Code Council, requiring inspection fees to be used only for operations of the inspections function, and creating a Building Code Committee within the Building Code Council. SB 324 is a companion measure not advanced by the Senate.

[HB 635](#) Property – List Subterranean Pipes / Plat & As-Built (Adams) Not Enacted
HB 635 requires the submission of as-built post-construction drawings prior to issuance of a certificate of compliance for work completed related to water or sewer lines or related facilities, public or private storm drainage, and stormwater systems.

Environmental

[HB 44](#) Well Drilling Changes SL 2015-246
Local Government Regulatory Reform (Conrad)
HB 44, Section 3.5, Well Drilling Changes, prescribes the process for the issuance of well drilling permits in areas served by public water systems.

[HB 61](#) Land Application of Biosolids (Pittman) Not Enacted
HB 61 authorizes county governing bodies to impose additional conditions on the land application of biosolids.

[HB 97](#) Reform Civil Penalties / Sedimentation Pollution Control Act SL 2015-241
2015 Appropriations Act (Dollar)

[SB 552](#) Sedimentation Control / Civil Penalty Reforms (Daniel) Not Enacted
HB 97, Section 14.26, Reform Civil Penalties under the Sedimentation Pollution Control Act, makes changes to the civil penalties assessed under the Act as originally proposed in SB 552 (Daniel).

[HB 708](#) Preservation of Historic / Heritage Trees (Hamilton) Crossover
HB 708 directs State departments, boards, commissions and agencies to give consideration to a tree designated as historic or heritage by a city or county prior to taking any action that may harm the tree.

Signs

[HB 44](#) Regulation of Signage SL 2015-246
Local Government Regulatory Reform (Conrad)
HB 44, Section 4, Regulation of Signage specifies the standards for fence wrap signs affixed to perimeter fencing at construction sites are to be regulated.

[HB 304](#) Revisions to Outdoor Advertising Laws (Hager) Eligible
[SB 320](#) Revisions to Outdoor Advertising Laws (Brown) Eligible

HB 304 and SB 320 preempt local authority in favor of statewide standards with respect to the location, height and size of relocated signs and conversion to changeable message signs. The legislation appears to open the door to relocating outdoor advertising from industrially zoned areas to commercially zoned areas and allowing such signs to be higher and larger than those allowed under existing local ordinances. Local governments were united in their opposition to the bills. Both bills are eligible for consideration in 2016.

[HB 544](#) County Sign Ordinance in Cities (Brawley) SL 2015-166

[HB 613](#) Clarify Signs on Highways and Roads (Brawley) Crossover
HB 544 specifies that in an extraterritorial jurisdictional area of a City, the governing board of the city may specify that any signage required by the county ordinance must be in compliance with city ordinances. HB 613 clarifies that a municipality is authorized to enforce State law concerning placement of political signs on the State highway system within the corporate limits of the municipality and specifies that signs are not to be placed on a median or traffic island.

Solid Waste

[HB 97](#) **Landfill Changes **SL 2015-241**
2015 Appropriations Act (Dollar)**

HB 97, Section 14.20, Landfill Changes, makes numerous changes to landfill regulations and fees.

[HB 97](#) **Solid Waste Study **SL 2015-241**
2015 Appropriations Act (Dollar)**

HB 97, Section 14.21(a), Solid Waste Study, directs the Environmental Review Commission to establish a stakeholder working group to study issues related to local government authority over solid waste management matters, including the authority to enact ordinances and charge fees, an examination of costs to local governments of providing solid waste services, and whether efficiencies and cost reductions could be realized through privatization.

[HB 765](#) **Study / Computer, Television, and Electronics Recycling Program **SL 2015-286**
Regulatory Reform Act of 2015 (McElraft)**

HB 765, Section 4.2, Study Computer Equipment, Television, and Electronics Recycling Program, calls for a study of electronic recycling programs. The study replaced earlier versions that called for a repeal of the recycling fee paid by computer and television manufacturers, which funded electronic recycling efforts. This would have caused a shortfall in revenues that underwrite local electronic recycling efforts.

Stormwater

[HB 44](#) **Riparian Buffer Reform **SL 2015-246**
Local Government Regulatory Reform (Conrad)**

HB 44, Section 13.1, Riparian Buffer Reform, enacts new riparian buffer requirements but specifies that local governments can create buffer ordinances to comply with state and federal requirements.

[HB 157](#) **Ecosystem Enhancement Program Name Change **SL 2015-1**
Amend Environmental Laws (McElraft)**

HB 157, Part IV changes the name of the Ecosystem Enhancement Program to the Division of Mitigation Services.

[HB 634](#) **Stormwater / Built Upon Area Clarification (Torbett) **SL 2015-149****

HB 634 adds to the definition of "built upon area", a surface of number 57 stone, as designated by the American Society for Testing and Materials, laid at least four inches thick over a geotextile fabric; or a trail as defined in G.S. 113A-85 that is either unpaved or paved as long as the pavement is porous with a hydraulic conductivity greater than 0.001 centimeters per second (1.41 inches per hour).

[HB 638](#) **Capitalize on Wetland Mitigation (Millis) **SL 2015-194****

HB 638 directs the Department of Environment and Natural Resources to take action that encourages wetland mitigation practices supportive of public recreation and hunting on mitigation sites.

**[HB 765](#) Amend Stormwater Management Law SL 2015-286
Regulatory Reform Act of 2015 (McElraft)**

HB 765, Section 4.20, Amend Stormwater Management Law, clarifies requirements for local governments desiring to implement State stormwater management laws. Since the City does not implement State stormwater management law, this section does not affect the City of Charlotte’s stormwater management ordinances. Charlotte’s ordinances are implemented under authority of federal law.

**[HB 765](#) Cluster Postal Boxes SL 2015-286
Regulatory Reform Act of 2015 (McElraft)**

HB 765, Section 4.20A, Cluster Postal Boxes, extends the expiration date of Section 46 of 2014-120 from December 31, 2015 to December 31, 2017. Section 46 is from the 2014 Regulatory Reform Act and states that the addition of a cluster box unit to a single-family or duplex development permitted by a local government shall not require a modification to any stormwater permit for that development.

**[HB 765](#) Prohibit Requirement of Mitigation for Impacts to Intermittent Streams SL 2015-286
Regulatory Reform Act of 2015 (McElraft)**

HB 765, Section 4.31, Prohibit Requirement of Mitigation for Impacts to Intermittent Streams, enacts the prohibition on such requirements except where necessary to comply with federal law.

Zoning

**[HB 44](#) Permit Choice SL 2015-246
Local Government Regulatory Reform (Conrad)**

**[HB 483](#) Permit Choice Crossover
Land Use Regulatory Changes (Jordan)**

HB 44, Section 5, Permit Choice, removes the exemption of zoning permits from permit choice laws. Section 5 of HB 44 is identical to Section 1 of HB 483, Land Use Regulatory Changes.

**[HB 44](#) Local Regulation of Beehives SL 2015-246
Local Government Regulatory Reform (Conrad)**

[SB 225](#) The Birds and the Bees Act Not Enacted

HB 44, Section 8, clarifies the regulatory authority of local governments over beehives. Section 8 was based upon SB 225 that directs the Department of Agriculture and Consumer Services to study strategies for protecting and supporting pollinators.

**[HB 44](#) Zoning Density Credits SL 2015-246
Local Government Regulatory Reform (Conrad)**

HB 44, Section 16 amends GS 160A-381(a), Zoning Grant of Power, to require that local governments “shall” provide density credits or severable development rights for dedicated rights-of-way.

**[HB 44](#) Clarify Authority to Expand on Definition of Bedroom SL 2015-246
Local Government Regulatory Reform (Conrad)**

HB 44, Section 18, Clarify Authority of Counties and Cities to Expand on Definition of Bedroom, prohibits cities from using a definition of dwelling unit, bedroom, or sleeping unit that is more expansive than any definition of the same in another statute or in a rule adopted by a State agency.

<u>HB 201</u>	Zoning Changes / Citizen Input (Stam)	SL 2015-160
<u>SB 285</u>	Zoning / Protest Petition Changes (Woodard)	Not Enacted
<u>SB 300</u>	Zoning Changes / Majority Rule (Wells)	Not Enacted

HB 201 repeals the “protest petition” statute that required a three-fourths majority vote of governing body members to approve a rezoning in the event of a qualified protest against a zoning map amendment. In other words, all zoning cases will now require a simple majority vote like all other decisions of local governing bodies. SB 285 and SB 300 were not considered by the Senate.

<u>HB 548</u>	Zoning / Modernize & Reorganize (Bishop)	Crossover
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HB 548 creates the North Carolina Zoning Modernization Legislative Task Force that is composed of 18 members to make recommendations as to whether to consolidate and modernize Article 19 of Chapter 160A of the General Statutes and Article 18 of Chapter 153A of the General Statutes.

<u>HB 721</u>	Subdivision Ordinance / Land Development Changes (Bryan)	SL 2015-187
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HB 721 reforms local government performance guarantee practices by addressing the different forms of acceptable guarantees, procedures for returning or releasing guarantees, maximum levels of required guarantees, and uses of guarantees to complete required improvements. Representative Bryan worked very closely with the City to ensure that the changes did not negatively impact City performance guarantee practices.

<u>HB 765</u>	Zoning Grant of Power Regulatory Reform Act of 2015 (McElraft)	SL 2015-286
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HB 765, Section 1.8(b) clarifies current law by stating that cities do not have the authority under statute to regulate nor require conditions and safeguards for which the courts have held to be unenforceable if imposed directly by cities.

<u>HB 799</u>	Zoning / Changes to Historic Preservation Procedures (Brody)	Not Enacted
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HB 799 creates an arbitration process to appeal decisions of the Board of Adjustment on appeals from a Historic Preservation Commission and creates a process for the Commission to issue informational reports to potential purchasers of historic properties.

<u>SB 7</u>	Allow Seating for Food Stand Customers (Tillman)	SL 2015-104
<u>HB 440</u>	Expand Outdoor Food Service at Public Events (Setzer)	Not Enacted
<u>SB 363</u>	Expand Outdoor Food Service at Public Events (Hartsell)	Crossover

SB 7 allows permitted food stands to provide tables for not more than eight customers to use while eating or drinking on the premises. HB 440 and SB 363 are companion bills that allow pushcarts or mobile food units that are based from a permitted commissary or restaurant that is located on the premises of a facility which contains at least 3,000 permanent seats to be allowed to prepare and serve food on the premises.

<u>SB 25</u>	Zoning / Design & Aesthetic Controls (Gunn)	SL 2015-86
<u>HB 36</u>	Zoning / Design & Aesthetic Controls (Dollar)	Not Enacted

SB 25 clarifies when local governments can apply design and aesthetic controls to structures subject to regulation under the NC Residential Code for One- and Two-Family Dwellings. Structures located in local historic districts, or historic districts on the National Register of Historic Places, local, State or national historic landmarks, and requirements to meet life safety codes, manufactured housing regulations, and conditions of participation in the national flood insurance program are exempt from the legislation. HB 36 was not advanced by the House.

INFRASTRUCTURE

General

[HB 44](#) **Notice to Property Owners Prior to Construction
Local Government Regulatory Reform (Conrad)** **SL 2015-246**

[HB 765](#) **Notice Prior to Construction
Regulatory Reform Act of 2015 (McElraft)** **SL 2015-286**

HB 44, Section 12, Notice to Property Owners Prior to Construction, specifies procedures local governments must take to notify adjacent property owners of new construction projects. HB 765, Section 1.8(d), Notice Prior to Construction, amends section 12 of HB 44 to clarify that the definition of construction does not include routine maintenance and repair. Local governments worked with the sponsors to ensure the provisions would not apply to emergency repairs and routine maintenance.

[HB 924](#) **Highway Safety/Other Changes (Burr)** **SL 2015-276**

HB 924, Section 6 raises the maximum value of construction or repair work that city labor forces may undertake. The current maximum amounts are \$125,000 for all direct and indirect costs or \$50,000 for the total cost of labor, which would increase, respectively, to \$500,000 or \$200,000.

[SB 119](#) **Practice of Engineering
General Statutes Commission Technical Corrections (Hartsell)** **SL 2015-264**

SB 119, Section 47.5 makes technical amendments to the practice of engineering.

Finance

[HB 97](#) **LYNX Blue Line Extension
2015 Appropriations Act (Dollar)** **SL 2015-241**

HB 97 funds the State share of construction funding for the LYNX Blue Line Extension at \$25 million annually.

[HB 97](#) **State Maintenance Assistance Program
2015 Appropriations Act (Dollar)** **SL 2015-241**

HB 97 maintains funding for the State Maintenance Assistance Program at FY 2015 levels.

[HB 97](#) **End Highway Fund Transfers
2015 Appropriations Act (Dollar)** **SL 2015-241**

[HB 67](#) **Phase Out Certain Highway Fund Transfers (Bumgardner)** **Not Enacted**

[SB 110](#) **Phase Out Certain Highway Fund Transfers (Rabon)** **Not Enacted**

HB 97 eliminates the annual transfer of \$215.9 million annually of highway revenues to General Fund uses. This provision was similar to companion measures HB 67 and SB 110 that called for a gradual phase out of the transfers over a four year period.

[HB 97](#) **Stabilization of Funding for State Aid to Municipalities / Powell Bill
2015 Appropriations Act (Dollar)** **SL 2015-241**

HB 97, Section 29.17D, Stabilization of Funding for State Aid to Municipalities eliminates the formula linking Powell Bill funding to motor fuels excise tax collections. Section 29.17D requires cities to use Powell Bill funds "primarily for the resurfacing of streets within the corporate limits of the municipality..." The City of Charlotte uses Powell Bill funds for its annual repaving program.

HB 97 **Increase and Adjust DMV Fees** **SL 2015-241**
2015 Appropriations Act (Dollar)

HB 927 **Reestablish North Carolina as the “Good Roads” State (Torbett)** **Not Enacted**

HB 97, Section 29.30, Increase and Adjust DMV Fees increases funding available for construction and maintenance of highways. Section 29.30 increases DMV fees to raise new revenues of \$75 million in FY 2016 and \$151.6 million in FY 2017. HB 927 modifies the fee charged by the Department of Motor Vehicles for various services and directs how those additional revenues will be spent. Many of the provisions originally in HB 927 were eventually incorporated into Section 29.30 of the enacted version of the 2015 Appropriations Act (HB 97).

HB 97 **Light Rail Project Cap** **SL 2015-241**
2015 Appropriations Act (Dollar)

SB 605 **Various Changes to the Revenue Laws (Rucho)** **Not Enacted**

HB 97, Section 29.41, Maximum Funding Expended for Light Rail Transit System Projects amends the Transportation Investment Strategy Formula to cap the amount of State funding from the Strategic Transportation Investment program for any one light rail project to \$500,000. Section 29.41 does not impact the LYNX Blue Line Extension as State funding for this project was committed in 2012 when the State signed the Full Funding Grant Agreement. House legislators amended SB 605 to rescind Section 29.41 but the amended bill was not advanced by the Senate prior to adjournment. Representative Brawley was instrumental in securing the amendment to SB 605.

HB 203 **Phaseout of Fuel Tax (Jeter)** **Not Enacted**

SB 639 **Transportation Funding Bill (Tarte)** **Not Enacted**

HB 203 and SB 639 amend various statutes that provide funding for transportation needs. HB 203 replaces the motor fuels tax with a transportation usage fee. SB 639 makes a number of changes to transportation revenue sources and prohibits tolling agreements unless approved by local voters. SB 639 is the bill that proposes to cancel the contract between the State of North Carolina and the private entity to construct and operate the I-77 HOT lanes in North Mecklenburg County.

SB 20 **Motor Fuels Tax Changes (Rabon)** **SL 2015-2**

SB 20, Part II, Motor Fuel Tax Changes, stabilizes revenues from the motor fuel excise tax in order to prevent causing major revenue shortfalls in highway and transit funding. SB 20 sets the motor fuel excise tax rate at 36 cents per gallon effective April 1, 2015, at 35 cents per gallon from January 1, 2016 to June 30, 2016, and at 34 cents per gallon from July 1, 2016 to December 31, 2016. Effective January 1, 2017, the rate is 34 cents per gallon multiplied by the percentage that is the sum of (1) percentage change in population multiplied by 75 percent, and (2) annual percentage change in the consumer price index for all urban consumers multiplied by twenty-five percent. Effective January 1, 2018, the rate is the amount for the preceding calendar year multiplied by the percentage. Part II also makes changes in appropriations to the Department of Transportation necessitated by the changes in tax rates. Representative Brawley led the House of Representatives in advancing this measure to enactment.

Planning

[HB 74](#) **Study / MPO and RPO Oversight (Floyd)** **Crossover**

[SB 396](#) **Limit Number of Studies by MPOs and RPOs (Tarte)** **Not Enacted**

HB 74 creates the Study Committee on Metropolitan Planning Organizations and Rural Transportation Planning Organizations to study the organization, structure, and oversight of MPOs and RPOs, the role they play in transportation planning, and the way the organization, structure, and oversight might be revised to better match their role in transportation planning while maintaining compliance with federal transportation requirements. SB 396 states that metropolitan planning organizations and rural planning organizations shall only conduct studies for projects that the organization has funding available to begin work on or complete.

[HB 183](#) **Repeal Map Act (R. Brown)** **Crossover**

[SB 373](#) **Repeal Map Act (Krawiec)** **Not Enacted**

[SB 364](#) **Map Act Revisions (Rabon)** **Not Enacted**

[SB 654](#) **Map Act Clarifications (Lee)** **SL 2015-151**

HB 183, SB 373, SB 364, and SB 654 respond to the court case of *Kirby v. North Carolina Department of Transportation* that invalidated portions of the Transportation Corridor Official Map Act. HB 183 repeals the Act and directs the Department of Transportation to study the process of acquiring right-of-way for future highway construction that is in accordance with the court case. SB 654 holds harmless the Wilmington Urban Area Metropolitan Planning Organization for claims arising out of actions taken by the MPO pursuant to the Transportation Corridor Official Map Act. No transportation projects in Mecklenburg County are affected by the above listed legislation.

[HB 645](#) **Study / No Emission Testing for Hybrid Vehicles (Floyd)** **Not Enacted**

[SB 200](#) **Eliminate Safety Inspections / Modify Emissions Inspections** **Not Enacted**

HB 645 directs the Division of Motor Vehicles, in consultation with the Division of Air Quality of the Department of Environment and Natural Resources, to study the feasibility and advisability of (i) exempting all non-plug-in hybrid motor vehicles from emissions inspections or (ii) requiring the Division of Motor Vehicles to issue a waiver from the emissions inspection requirement for a non-plug-in hybrid motor vehicle if the vehicle fails the analysis of data provided by the on-board diagnostic equipment due to an error that does not impact air quality. SB 200 modifies the types of vehicles required to obtain an emissions inspection and the scope of the inspection.

[HB 97](#) **Adjust Cap on Turnpike Projects** **SL 2015-241**

2015 Appropriations Act (Dollar)

[SB 188](#) **Adjust Cap on Turnpike Projects (Rabon)** **Crossover**

HB 97, Section 29.15A of the enacted version of the 2015 Appropriations Act (HB 97), increases the number of turnpike authority projects the Turnpike Authority may undertake at any one time from nine to eleven, and declares that the various segments of the Triangle Expressway constitute one project. SB 188, which is identical to Section 29.15A, was advanced by the Senate.

[SB 689](#) **Public Infrastructure Oversight Commission (Hartsell)** **Not Enacted**

SB 689 creates the Joint Legislative Public Infrastructure Oversight Commission to examine, on a continuing basis, public infrastructure issues in North Carolina in order to make ongoing recommendations to the General Assembly on ways to promote comprehensive and coordinated local, regional, and State planning and investment in public infrastructure.

Transportation

HB 44 State Highway System Lane Reductions (Edition 3 of HB 44) Not Enacted
Local Government Regulatory Reform (Conrad)

Edition 3 of HB 44, Section 7, Number of Lanes Cannot be Reduced on State Roads Located Within a Municipality and Having an Average Daily Traffic Volume of 20,000 Vehicles Per Day or More, sets very high standards for reducing state roadway lanes in order to better accommodate pedestrians, bicyclists and other users of roadways that would eventually result in very few lane miles being reduced. The higher standards were included in Edition 3 of HB 44 when the bill went to conference. When the conference report was presented, Section 7 had been omitted. HB 44 was signed into law without Section 7.

HB 97 Municipality to Pay Costs of Requested Project Improvements SL 2015-241
2015 Appropriations Act (Dollar)

HB 97, Section 29.5, Require County or Municipality to Pay Costs Associated with Requested Project Improvements, requires counties or municipalities requesting improvements above and beyond those normally included in NC Department of Transportation project to reimburse NCDOT for the cost of those improvements. Section 29.5 does not apply to safety enhancements or "efforts to facilitate the flow of traffic" unless they are in excess of the requirements of the law.

HB 97 Study/Improving Safety on Secondary Roads SL 2015-241
2015 Appropriations Act (Dollar)

SB 119 Unpaved Road Improvement Pilot Program SL 2015-264
General Statutes Commission Technical Corrections (Hartsell)

HB 97, Section 29.17E, Study/Improving Safety on Secondary Roads & Unpaved Road Improvement Pilot Program, directs the Department of Transportation to study ways to improve safety and decrease the number of traffic accidents and fatalities occurring on secondary roads, and to conduct a survey of the paved and unpaved roads in this State that are open to the public, but are not currently a part of the State system. SB 119, Section 90.5 broadens the study to include an "unpaved road improvement" pilot.

HB 232 Study / Update Bicycle Safety Laws (Whitmire) SL 2015-45

HB 232 directs the Department of Transportation to create a working group to study current bicycle safety laws to evaluate and update the laws in order to create the safest possible environment for cyclists and motorists.

HB 268 Amend Transportation Laws (Iler) SL 2015-231

HB 268 makes technical changes to transportation statutes. HB 268 amends highway obstruction quick clearance requirements, authorizes the Department of Transportation to permit encroachment of air space above State Road 1347, Nevada Boulevard in the City of Charlotte, and extends the expiration date of a special license plate.

HB 551 DOT Sales of Unused Property (Brawley) Crossover

HB 551 streamlines the process for selling unused Department of Transportation property to the private sector.

[HB 672](#) Strategic Transportation Investments & Ferry Tolling Revisions (Tine) Not Enacted

HB 672 makes a number of changes to the 2013 Strategic Transportation Investments legislation to require the use of peak average daily traffic data. The issue with peak average daily traffic data is that it does not account for the full range of traffic situations faced by urban areas. The portion of HB 672 requiring the use of peak average daily traffic data was incorporated into the House proposed budget (Edition 5 of HB 97), but not included in the final enacted edition of HB 97.

[HB 836](#) Election Modifications (Robinson) SL 2015-103

HB 836 clarifies easement reservation authority for cities closing streets and alleys, in addition to making changes in various election laws.

[SB 52](#) Cities / Means for Activating Parking Meters (Krawiec) SL 2015-226

SB 52 authorizes cities to allow activation of parking meters by coins, tokens, cash, credit cards, debit cards or other electronic means.

**[SB 119](#) Snow Removal Equipment SL 2015-264
General Statutes Commission Technical Corrections (Hartsell)**

SB 119, Section 41 states that certain snow removal equipment is authorized to operate on State highways without an oversized permit.

[SB 383](#) Study / Fund Improvements to Interstate Highways (Rabon) Crossover

SB 383 directs the Department of Transportation to study ways to fund improvements to interstate highways in the State.

[SB 581](#) Study / Subdivision Street / Traffic Calming Devices (Pate) SL 2015-217

SB 581 directs the Department of Transportation to study the process for accepting subdivision streets into the State highway system and to lower the percentage of property owners needed to approve traffic calming devices in certain subdivisions from 70% to 60%.

Utilities

**[HB 97](#) Water Infrastructure Authority SL 2015-241
2015 Appropriations Act (Dollar)**

HB 97, Section 14.13, Water Infrastructure Authority makes various technical changes to the grant program administered by the Authority, including language to incorporate “affordability” as a consideration for loans and grants, and for grants to incentivize the merger/regionalization of wastewater utilities.

**[HB 97](#) Encourage Interconnection of Public Water Systems SL 2015-241
2015 Appropriations Act (Dollar)**

[SB 547](#) Interconnection of Public Water Systems (Hartsell) Not Enacted

HB 97, Section 14.14, Encourage Interconnection of Public Water Systems directs the Department of Environment and Natural Resources to identify water and wastewater systems that appear capable of interconnectivity with another system and have adequate unallocated capacity to expand, and where interconnectivity would promote public health, protect the environment, or ensure compliance with established drinking water rules. Section 14.14 was based upon SB 547.

- [HB 97](#) Dewater Leachate Study 2015 Appropriations Act (Dollar) SL 2015-241**
HB 97, Section 14.21(b), Dewater Leachate Study directs the Environmental Review Commission to study the use of new technologies and strategies, including the use of integrated and mobile aerosolization systems to dewater leachate and other forms of wastewater for the purpose of reducing the burden and cost of disposal at the site where it is generated.
- [HB 538](#) Water & Sewer Service Related Charges (Millis) SL 2015-207**
HB 538 authorizes water and sewer authorities and counties and cities to enter into a wider range of financing instruments. HB 538 requires public or community wastewater systems to accept liquid condensate generated by residential heating and cooling systems.
- [HB 718](#) DENR Study of Interbasin Transfer Laws (Bradford) Not Enacted**
HB 718 directs the Department of Environment and Natural Resources to study the statutes and rules governing interbasin transfers and make recommendations as to whether these should be amended.
- [HB 765](#) Amend Underground Damage Prevention Act Regulatory Reform Act of 2015 (McElraft) SL 2015-286**
HB 765, Section 3.12, Amend Underground Damage Prevention Review Board, Enforcement, and Civil Penalties, amends the 2013 statute creating the Board.
- [HB 795](#) State Environment Policy Act Reform (Torbett) SL 2015-90**
HB 795 expands the types of projects exempt from submitting environmental impact documents, and amends the surface water transfer statute GS 143-215.22L.
- [HB 874](#) Cities / Availability Charge / Improved Property (Jordan) Not Enacted**
HB 874 authorizes cities to require payment of a periodic availability charge if improved property qualifies for the issuance of a building permit and the city has installed water and sewer lines directly available to that property.
- [SB 88](#) Pole Attachment Disputes (Brown) SL 2015-119**
SB 88 grants the NC Utilities Commission exclusive jurisdiction to adjudicate pole attachment disputes.

PUBLIC SAFETY

General

**[HB 97](#) Department of Information Technology SL 2015-241
2015 Appropriations Act (Dollar)**

HB 97, Section 7A creates a unified cabinet-level department headed by the State Chief Information Officer and consolidates information technology functions, powers, duties, obligations, and services including: Office of the State Chief Information Officer; Office of Information Technology Services; 911 Board; Criminal Justice Information Network; Government Data Analytics Center; and North Carolina Geographic Information Coordinating Council and the Center for Geographic Information and Analysis.

**[HB 97](#) Create the Department of Military and Veteran's Affairs SL 2015-241
2015 Appropriations Act (Dollar)**

HB 97, Section 24.1 creates a new executive department. Section 24.1 transfers the Veterans' Affairs Commission, Governor's Jobs for Veterans Committee, Division of Veterans Affairs, and North Carolina Military Affairs Commission in the Office of the Governor to the new department.

**[HB 193](#) Prohibit Discriminatory Profiling (R. Moore) Eligible
[SB 613](#) Prohibit Discriminatory Profiling (McKissick) Eligible**

HB 193 and SB 613 define discriminatory profiling and prohibit law enforcement officers from engaging in that practice. HB 193 and SB 613 authorize all cities and counties to create citizen review boards to investigate or review allegations of misconduct by law enforcement officers. Neither bill was advanced but remains eligible for consideration in 2016.

**[HB 199](#) Certain Cities / Donate Service Animals (D. Hall) SL 2015-174
[SB 247](#) Certain Cities / Donate Service Animals (Stein) Not Enacted**

HB 199 and SB 247 are companion measures authorizing the City of Raleigh and any cities in Mecklenburg County to donate any horse, dog, or other animal used by the municipality's police department or any other municipal agency to the officer or employee who had normal custody and control of the animal during its service to the municipality when the animal is deemed no longer fit for public service.

**[HB 318](#) Protect NC Workers Act (Cleveland) SL 2015-294
[HB 328](#) Highway Safety / Citizens Protection Act (Warren) Not Enacted
[SB 119](#) House Bill 318 Amendment SL 2015-264
General Statutes Commission Technical Corrections (Hartsell)**

HB 318 addresses various issues surrounding illegal immigration. HB 318 (Cleveland) prohibits any cities or counties from adopting what are known as "sanctuary city" policies. Several North Carolina cities, including the City of Charlotte were identified by Senator Tillman (R-Randolph) during Senate floor debate as being a "sanctuary city", alluding to the civil rights ordinances passed by those cities earlier this year. HB 318 also addresses the application of E-Verify requirements to contractors of local governments and the types of identity and residency documents that are acceptable for use by officers of the court, law enforcement, or other government officials in determining a person's actual identity or residency. An amendment to the identity document section was made by Section 36.3 of SB 119. HB 328, which is similar to HB 318, was not advanced by the House.

[HB 530](#) **Local Government / Inspections of Buildings and Structures (Brawley)** **Eligible**
[SB 442](#) **Local Government / Inspections of Buildings and Structures (Gunn)** **Eligible**

HB 530 and SB 442 propose to substantially amend the rental registration changes enacted in 2011. Among the proposed changes is one that prohibits local governments from requiring all owners of rental properties to register their properties with the local government, which is the surest and quickest way for local governments to notify owners of illegal activities taking place on their properties. Representative Brawley was instrumental in bringing together stakeholders from all sides to discuss the legislation, which can be considered in 2016. While neither bill advanced, both are eligible for consideration in 2016. The interim between sessions provides time for thoughtful discussions between the bill sponsors, shelter community and local governments.

[HB 595](#) **Military Experience / LEO Certification Requirements (Whitmire)** **SL 2015-49**
[SB 119](#) **House Bill 595 Amendment** **SL 2015-264**
 General Statutes Commission Technical Corrections (Hartsell)

HB 595 directs the North Carolina Criminal Justice Education and Training Standards Commission to, under specific circumstances, waive law enforcement officer training and certification requirements for former members of the military. Section 37 of SB 119 makes technical changes to HB 595.

[HB 664](#) **Safer Communities (Brawley)** **Not Enacted**
HB 664 authorizes a person or entity employing or contracting with a company police agency to enter into joint agreements with municipalities and counties to extend the law enforcement authority of company police officers.

[HB 765](#) **Good Samaritan Expansion** **SL 2015-286**
 Regulatory Reform Act of 2015 (McElraft)

HB 765, Section 3.3, Good Samaritan Expansion, adds language to GS 14-56 providing further protection to Good Samaritans.

[HB 827](#) **Alcohol Consumption & Overcrowding / Clubs (Faircloth)** **Not Enacted**
HB 827 clarifies that the consumption of alcoholic beverages is prohibited during certain hours at places used primarily for commercial purposes and to prevent repeated occurrences of grossly overcrowded conditions at ABC licensed premises.

Animal Control

[HB 97](#) **Animal Shelter Support Fund** **SL 2015-241**
 2015 Appropriations Act (Dollar)

HB 97, Section 13.7(b), Animal Shelter Support Fund enacts new Article of law for an Animal Shelter Support Fund that reimburses local governments for expenses related to their operation of a registered animal shelter due to (1) denial, suspension, or revocation of the shelter's registration, and (2) an unforeseen catastrophic disaster at an animal shelter. Recurring funds of \$250,000 are appropriated in both FY 2016 and FY 2017.

[HB 159](#) **Regulate Commercial Dog Breeders (Saine)** **Crossover**
HB 159 establishes standards of care for large commercial dog breeding facilities and to provide law enforcement with tools to ensure that dogs at those facilities are treated humanely.

[HB 271](#) **Amend Dangerous Dog Law (R. Moore)** **Not Enacted**

[HB 751](#) **No Breed Specific Dog Laws (Wray)** **Not Enacted**
[SB 314](#) **Reform Abandoned Livestock Procedures (Woodard)** **Not Enacted**

HB 271 amends the Dangerous Dogs law to define a new category of at-risk dogs and establish procedures for dealing with such dogs. HB 751 prohibits local governments from adopting ordinances regulating, restricting, or prohibiting the possession of dogs based upon the breed or upon presumptions about the behavior inherent to a particular breed. SB 314 amends the holding and advertising periods for unclaimed livestock.

[HB 460](#) **Reporting of Animal Incidents (Warren)** **Crossover**

HB 460 requires that if a person has suffered a bite, scratch, or other injury directly inflicted by a domestic animal not owned by the person or by a wild animal and notifies the appropriate law enforcement agency that such an incident has occurred and that personal injury has resulted, then the law enforcement agency receiving notification shall investigate the incident within 48 hours of receiving the notification and may make a written report summarizing the incident and describing the injury inflicted on the person by the animal.

[HB 553](#) **Ordinances Regulating Animals (McGrady)** **SL 2015-192**

HB 553 prohibits local governments from regulating standards of care for farm animals. Standards of care for farm animals include the construction, repair, or improvement of farm animal shelter or housing; restrictions on the types of feed or medicines that may be administered to farm animals; and exercise and social interaction requirements. The term farm animals include cattle, oxen, bison, sheep, swine, goats, horses, ponies, mules, donkeys, hinnies, llamas, alpacas, lagomorphs, ratites, and poultry.

[HB 554](#) **Protect Public from Dangerous Wild Animals (McGrady)** **Crossover**

HB 554 creates a new article in the Protection of Animals chapter to protect the public from dangerous wild animals owned by circuses.

Criminal Law

[HB 173](#) **Omnibus Criminal Law Bill (Stam)** **SL 2015-247**

HB 173 makes several changes to criminal laws.

[HB 479](#) **Auto Salvage Dealer Protection Act (Pittman)** **Crossover**

[SB 432](#) **Electronic Pawn and Metals Database (Randleman)** **Not Enacted**

HB 479 clarifies the liability of secondary metals recyclers and salvage yards when purchasing certain motor vehicles and is eligible for consideration in 2016. SB 432 requires pawnbrokers, currency converters, precious metal dealers, and secondary metals recyclers to report information about pawn transactions and purchases to an electronic database that is accessible to law enforcement officers and agencies.

[HB 552](#) **Graffiti Vandalism (McGrady)** **SL 2015-72**

HB 552 creates a new criminal offense for Graffiti vandalism. Section 1 of the bill makes it a Class 1 misdemeanor to engage in graffiti vandalism. The offense becomes a Class H felony if the repair costs resulting from the vandalism are greater than \$1,000, if the person has two or more prior convictions for graffiti vandalism, or if the person has committed five or more acts of graffiti vandalism within a 60-day period.

[HB 565](#) Threaten Law Enforcement Officer or Correctional Officer (Faircloth) Crossover
HB 565 creates a new criminal offense of threatening a law enforcement officer, probation or parole officer, detention facility employee, or person employed at a detention facility operated under the jurisdiction of State or local government.

[HB 792](#) Privacy / Protection from Revenge Postings (Bryan) SL 2015-250
HB 792 creates new criminal offenses for disclosing certain images where there is a reasonable expectation of privacy and for indecent exposure that occurs on private property under certain circumstances. Representative Bryan was very amenable to incorporating the indecent exposure provisions into HB 792.

Highways

[HB 6](#) Autocycle Definition and Regulation (Torbett) SL 2015-163
HB 6 defines the term “Autocycle”, requires operators to have a regular driver’s license, and specifies equipment that must be on such vehicles.

[HB 102](#) Utility Vehicles / Move Over Changes (Davis) SL 2015-26
[SB 295](#) Move Over / Waste & Recycling Trucks (Wade) Not Enacted
HB 102 authorizes law enforcement officers, emergency personnel, and municipal and county employees to operate utility vehicles, which are defined as “motorized all-terrain vehicles”, on public highways where the speed limit is 35 miles or less, and on nonfully controlled access highways. Section 3 of HB 102 adds vehicles being used in the collection of refuse, solid waste, or recycling to the “move over” laws, which is based upon SB 295.

[HB 148](#) Insurance Required for Mopeds (Shepard) SL 2015-125
HB 148 requires the owners of mopeds to have in full force and affect a policy of financial responsibility for such vehicles.

[HB 735](#) Department of Public Safety Changes (C. Graham) SL 2015-267
HB 735 makes various technical changes to the statutes of the NC Department of Public Safety.

[HB 924](#) Highway Safety/Other Changes (Burr) SL 2015-276
HB 924, Sections 1-4, makes several technical changes to highway safety statutes.

Weapons

[HB 562](#) Amend Firearms Laws (Schaffer) SL 2015-195
HB 562 served as the omnibus bill for changes in firearm and weapons provisions. Relevant policy provisions from HB 562 include: (1) Section 5(a) and (b) that amends the sport shooting range protection law; (2) Section 12 that prohibits local governments from regulating the “... taxation, manufacture, transportation ...” of firearms, firearms ammunition, components of firearms, dealers in firearms, or dealers in handgun components or parts; and (3) Sections 12 and 15 that add identical subsections to 14-409.40 and 14-415.23 to allow “[a] person adversely affected by any ordinance, rule, or regulation promulgated or caused to be enforced by any county or municipality in violation of this section may bring an action for declaratory and injunctive relief and for actual damages arising from the violation. The court shall award the prevailing party in an action brought under this subsection reasonable attorneys' fees and court costs as authorized by law.”

<u>HB 563</u>	Strengthen Firearms Background Checks (Schaffer)	Not Enacted
<u>HB 699</u>	Gun Rights & Privacy Act (Pittman)	Not Enacted
<u>HB 725</u>	Gun Safety Act (Luebke)	Not Enacted
<u>HB 798</u>	Concealed Handgun Permit / Other Weapons (Cleveland)	Not Enacted
<u>HB 886</u>	Second Amendment Preservation Act (Setzer)	Not Enacted
<u>HB 891</u>	Handgun Permit Standardization (Adams)	Not Enacted
<u>SB 641</u>	Concealed Handgun Permit Standardization Act (Tarte)	Not Enacted
<u>SB 708</u>	Homeland Security Patriot Act (Tarte)	Not Enacted

These firearms and weapons bills were introduced but not advanced as HB 562 (Schaffer) became an omnibus bill for such measures.

[SB 78](#) **Off-Duty Correctional Officers / Concealed and Carry (Randleman)** **SL 2015-5**
 SB 78 provides that a state correctional officer may carry a concealed weapon when off-duty. The officer may not carry a concealed weapon while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the officer's body. If the concealed weapon is a handgun, the correctional officer must meet the firearms training standards of the Division of Adult Correction of the Department of Public Safety.

[SB 119](#) **Concealed Weapon Amendment** **SL 2015-264**
General Statutes Commission Technical Corrections (Hartsell)
 SB 119, Section 3 makes technical change to the carrying concealed weapons statute, GS 14-269, to correct an errant spelling of the word "shuriken".

[SB 212](#) **Handgun Standards for Retired Sworn LEOs (Tillman)** **SL 2015-105**
[SB 119](#) **Senate Bill 212 Amendment** **SL 2015-264**
General Statutes Commission Technical Corrections (Hartsell)
 SB 212 provides that an individual who is a qualified retired sworn law enforcement officer and has met the standards, as approved by the North Carolina Criminal Justice Education and Training Standards Commission, for handgun qualification for active law enforcement officers within the last 12 months is deemed to have satisfied the requirement under G.S. 14-415.12 (a) (4) that an applicant successfully complete an approved firearms safety and training course. SB 212 is effective October 1, 2015. A technical amendment was made to SB 212 in Section 36 of SB 119.

Technology

[HB 4](#) **Clarify Unmanned Aircraft System Law (Torbett)** **Crossover**
[SB 622](#) **Unmanned Aircraft Systems / No LEO Surveillance (Krawiec)** **Not Enacted**
 HB 4 provides that the Chief Information Officer of the State shall have approval authority for any State or local government to procure and operate unmanned aircraft systems. SB 622 prohibits the use of unmanned aircraft systems to photograph the gathering of persons on private properties.

[HB 97](#) **Grants for Body-Worn Video Cameras for Law Enforcement Agencies 2015** **SL 2015-241**
Appropriations Act (Dollar)
 HB 97, Section 16A.8, Grants for Body-Worn Video Cameras for Law Enforcement Agencies, appropriates \$2.5 million of non-recurring funds in each year of the biennium for local law enforcement agencies to purchase body-worn video cameras. Maximum grant available for any one agency is capped at \$100,000. Local law enforcement agencies must match each \$1 of State funds with \$2 of local funds.

<u>HB 512</u>	Amend/Clarify Back-up PSAP Requirements (S. Martin)	SL 2015-219
<u>HB 730</u>	Next Generation 911 (Saine)	SL 2015-261
<u>HB 506</u>	911 Fund Distribution (Boles)	Not Enacted
<u>SB 571</u>	Expand Uses of 911 Fee (Bryant)	Not Enacted

HB 512 authorizes the 911 Board to grant extensions through July 1, 2017 for backup public safety answering points to comply with new backup public safety answering point requirements enacted in 2014. HB 730 creates a reserve fund to implement Next Generation 911 and requires local public safety answering points to implement Next Generation 911. HB 506 and SB 371 were not advanced by either the House or Senate.

<u>HB 804</u>	Kelsey Smith Act (Hurley)	Crossover
<u>HB 876</u>	Cell Phone Location Tracking (Jordan)	Not Enacted

HB 804 authorizes warrantless access by law enforcement to telecommunications device location information from wireless service providers only in an emergency situation that involves an imminent risk of death or serious physical harm. HB 804 allows law enforcement use of pen register or trap and trace devices. HB 876 is a similar measure not advanced by the House.

<u>SB 182</u>	Automatic License Plate Readers (McKissick)	SL 2015-190
<u>HB 829</u>	Automatic License Plate Readers (B. Turner)	Not Enacted

SB 182 requires State and local law enforcement agencies to adopt written policies for the use of automatic license plate readers, and establish requirements for the retention and preservation of captured plate data. Captured plate data is termed confidential and exempt from public records laws. HB 829 is a companion measure not advanced by the House.

<u>SB 541</u>	Regulate Transportation Network Companies (Rabon)	SL 2015-237
<u>HB 680</u>	Regulate Transportation Network Companies (Brawley)	Not Enacted
<u>SB 414</u>	Regulate Transportation Network Services (McKissick)	Not Enacted
<u>SB 567</u>	Regulate Transportation Network Companies (Tarte)	Not Enacted

SB 541 implements statewide regulatory regimen for transportation network companies and drivers administered by the Department of Motor Vehicles in place of the current “no regulation” system enacted in 2013. SB 541 addresses liability insurance requirements and requires that all drivers pass a “criminal background check” before driving for the transportation network company. The City worked with the bill sponsor to secure the language authorizing airport operators and transportation network companies to enter into agreements for the appropriate use of airport facilities. The remaining bills were not advanced by the House or Senate.

COMMITTEE AGENDA TOPICS

- I. Subject: Charlotte Works Consortium Agreement**
Action: Charlotte Works will provide the Committee with an update on the Charlotte Works' activities and accomplishments. The Amended and Restated Charlotte Regional Workforce Consortium Agreement will also be presented to the full Council for action at the September 28th Council Business Meeting.
- II. Subject: High Growth Entrepreneur Strategy Update**
Action: Staff will provide the Committee with an update on the High Growth Entrepreneur Strategy. No action required.
- III. Subject: Bojangles Coliseum Tour**

COMMITTEE INFORMATION

Present: Michael Barnes, Vi Lyles and Al Austin
Absent: LaWana Mayfield, Claire Fallon
Others: Greg Phipps, John Autry, Ed Driggs
Guests: Steve Partridge, CEO, Charlotte Works (Board Members: Dan Roselli, Toya Allen and Kati Hynes)
Location: Ovens Auditorium, Hospitality Room
Time: Noon – 1:45pm

ATTACHMENTS

1. Charlotte Works Presentation & Handouts
2. High Growth Entrepreneur Strategy Update Presentation & Handout

DISCUSSION HIGHLIGHTS

Chairman Barnes welcomed everyone to the meeting and asked for introductions. Our first item is a discussion regarding Charlotte Works and our agreement with them. I'll turn it over to Mr. Ron Kimble who will turn it over to Mr. Partridge.

I. Charlotte Works Consortium Agreement

Kimble: Thank you Mr. Chairman and thanks for the idea of coming out here and moving around, still having two great topics on your agenda and having the opportunity to take a tour of the Bojangles Coliseum. We're here today and proud to present to you two topics, the first of which is the Charlotte Works Consortium Agreement. We want to make a presentation

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to you today; this item is scheduled for your September 28th Council Meeting if it's ready at that point. We wanted to engage the Committee here, let you ask questions and dive in and see if we're ready to bring it on September 28th. That is the agenda schedule. We have great representation from Charlotte Works and the Charlotte Chamber today. I'm going to turn it over to Dan Roselli who is the Chair of Charlotte Works and he'll take it from there and pass it along to the rest of the folks today.

Roselli: Thank you Ron. Most of you know me in my other capacity in entrepreneurship but I'm also Chair of the Charlotte Works Board. Mayor Foxx appointed me to the Board about three years ago, being chair a little over a year ago, partly to help represent entrepreneurship and what entrepreneurship does in Economic Development and job creation.

I'm going to walk through the presentation to help set it up a little bit and then turn it over to Toya Allen who is our Vice-Chair to talk about our strategic plan and then Steve Partridge with some more details on that so feel free to ask questions as we go along.

What the Charlotte Workforce Board does is help job creation/economic development by matching up and making sure workforce strategies and education are in alignment with where the jobs are in our community. There's a lot of growling bully pulpit, making sure the two sides are meshing, people who need jobs and employers and what they're looking for in jobs and ensuring the second part of State and local workforce development job training, we do specific job training acts as well. But a lot of why I like to think we do is civic leadership on how we make those things mesh. On the next slide, one of the things many people are not aware of is some of the constraints. This is actually funded from the WIA Federal law. Its Federal money that comes through the State through the City and then to us. It has to go to a workforce development board. I was shocked as a private citizen coming to understand the amount of restrictions on WIA dollars and how they can and cannot be used. It is quite intense and many people are not aware of how that money has to get spent so there's very little truly discretionary dollars in the Charlotte Works budget but I think there's a lot of opportunity for us to show leadership in different ways. With that, I'm going to turn it over to Toya because I think our strategic plan which the Board undertook, it just came out show us how we're trying to do that, make those dollars work as hard as possible.

Allen: Thank you. You should have a copy of our strategic plan in front of you and this strategic plan which was recently created and adopted by the Board of Directors and most recently discovered 2015 program year. It's a five year strategic plan that's really focused on an integrated, market-driven and economic development system. That's our goal to really focus on three primary areas. You'll see those outlined here. They are economic mobility, system capacity building and labor market intelligence. Those are our three focus areas starting now to take us all the way through the next five years from a strategic perspective. So that was to break those down a little bit more from an economic mobility perspective, what were are focusing and continuing to do is to work to create pathways for individuals to move them into opportunities where there are really market demand

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opportunities so we're working with our youth and adults as well to create opportunities for them but then to show them what's available in the market place. There's one thing to encourage individuals to seek opportunities and those that are underemployed and unemployed, have you move there but have you work with our businesses to make sure that the avenues that they're working towards are areas where there is actually going to be an opportunity. That's our overall focus from an economic mobility standpoint. The second is system building capacity.

Barnes: Before you go on, let me ask you one question.

Allen: Absolutely.

Barnes: The Launch Working Smart for youth pilot, what is that program about?

Partridge: This past year, we launched a program called "Working Smart". One of the biggest things we got feedback from employers is job seekers lack some of the soft skills, the communication skills and the ability to show-up on time is equally as important as the occupational skills. We developed the program in partnership with Central Piedmont, Urban League and Goodwill, so we would have a unified program that we could all teach. You can walk into any of the partners in the workforce development community and they teach the exact same coursework. That is being adopted, we hope, state-wide over the next week year by the Community Call System Office so that will be part of a statewide initiative but it is close to adults so we are working with the vendor that we developed this with to create a youth version of that that we can do in CMS for all CTE students.

Lyles: What are CTE students?

Partridge: I'm sorry, career and technical education.

Barnes: Ok, thank you.

Allen: From the system capacity building and for the record all three of these goals are equally important, but what this one is focused on is not just taking us from a Charlotte perspective to a regional one. As we know that Charlotte, Charlotte-Mecklenburg and surrounding areas, we have to create an integrated system where we're working together with each other. We have employers outside of the Charlotte-Mecklenburg area that are able to hire individuals within the Charlotte-Mecklenburg area and vice versa. We are working on creating an overall regional partnership so that when we cross these lines, we are not working in different database systems, like what do you have in Centralina, what do you have in Charlotte so we're looking for a shared unified system so those opportunities are shared and understood and also an overall thought leadership Council so that we're all speaking the same way. Trying to be more unified centralized, that's also part of the Workforce Innovation Opportunity Act so something that we're already initiating ahead of being required to. We want to be more unified and structured so we can impact those individuals in Charlotte and Briar way.

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Lyles: When you are talking about building a capacity, who do you work with? Who's required to work with you under the Workforce Development Act versus how do you build partnerships which are a little bit different? How do you work on the side of people who are required to do training and who are the employers? I don't have a good grounding in how you're structured to deliver the areas that you have. I have to admit this has been something that changes based on Congress. At one time the workforce development board had a very specific mission to serve the chronic unemployed and it me it's gotten a lot bigger and it's gotten a lot less focused in one particular segment. I don't know who you're doing work with and who's required to work with you so I need a little bit of help on the organizational structure.

Partridge: WIA, which ended this past June, the Workforce Investment Act started in 1998 signed by President Clinton. It transformed what was the joint partnership training at JTPA from I say more of a job seeker focus system to more of a demand driven system. The boards had to be reconstituted and a majority of the members had to come to the business committee. That was the first step into we're training people and you hope the training you gave them leads to a job but most boards had no relationship at all with employers. They didn't know what employers wanted, they didn't know where the skills gap were so WIA was the first attempt to sort of force local areas to start to deal with you need to bring the employer to the table. WIOA takes that even further and really starts to force boards around the country to say you need to also proactively work with economic developers. You need to be working closely with the business community but taking that a step further, not just any business, the high growth sectors of your community so you really need to focus on appointing board members that represent those areas and design sector strategies that support the growth of those industries so that the K through 12 system is aligned and producing graduates that can take what they learn go directly to Central Piedmont take those credit hours and maybe already graduate with a year or so in the career and technical promise. When they graduate, you can get up to a year of community college credit. The problem is a lot of times it's not aligned with the business needs so we work with CMS. We have actually taken ownership of the internship program for CMS so our goal is to have a meaning internship as high growth areas for every graduating senior. We're at 1,000 right now; we need 7,000 more. Part of our role is the convener to look at workforce as system. We run programs that we're required by the State to run a job center in at least every county so we have three centers here in Charlotte and we serve 40,000 people but the real value is you've got Goodwill, they're not a required partner but they serve and help a lot of people. Urban League is not a required partner but we are required to work with the unemployment group out of the Department of Commerce. We are required to work with both rehab, which is disability. That's one of our mandatory federal partners. We are required to work with adult education which Central Piedmont does adult and programs because those are all part of the WIOA. We're Title 1, which is the Workforce Investment Act piece that we're in charge of. Title 2 is the adult and Title 3 is about rehab. Those are the mandatory partners but they all require us to build community coalitions and the new law requires us to look regional because almost 200,000 people come to Charlotte everyday so if an employer calls us and says we're having trouble finding skilled workers, we're not just going to look in Mecklenburg County, we're going to look across the region. As good as we are here in Charlotte; we need to make sure our

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partners, because there are other workforce boards outside of Charlotte, are on the same page as us. We all need to be meeting the same growth and a part of that is coalition building.

Lyles: Who gets the grant? How much do you receive annually from the Federal government? How much comes through our budget?

Partridge: It technically is not a grant but more of a direct pass through. This year's allocation is \$7.2 million for Mecklenburg County. The City of Charlotte acts as our fiscal agent; \$7 million is not much when we have a population of over a million.

Roselli: I don't think it's in here but would it be helpful to see the makeup of the Board? It's very descriptive in the Act but we can send the exact makeup of who's the Board.

Lyles: I think that would be helpful. I don't know who's on the Board and how descriptive it is. Would it be fair to say that when we had JPTA and the middle program, the workforce of the federal policies evolved? The original focus was unemployed and chronically unemployed and now it's about meeting economic development demand. There's been more of a transition in who you serve and why you're doing the work or how you're doing the work.

Partridge: It would be fair to say our focus has expanded. Congress keeps adding other requirements. We have a priority of service policy meaning if people walk in your center, you must first serve Veterans, disabled, chronically unemployed, long-term unemployed first if resources are limited.

Lyles: That's helpful. Thank you.

Phipps: Would it be helpful to through Companies through in our incentives program?

Partridge: Yes, Kati is going to talk about that on the economic development side. We work very closely. Four years ago when I came into this role, we were not at the table at the Chamber meetings. Anytime they had co-named or still decided to keep Charlotte in their community. At lot of questions came up at the table about the local workforce and there really wasn't one organization in the room that could answer any of it so the Chamber often invited lots of people hoping someone could answer they're questions. We now are almost part of any economic development opportunity expansion here in Charlotte if there are questions about workforce so we come prepared to talk about our manufacturing pipeline. We can deal with entry level all the way to high skilled. We really try to get companies to think long-term because often when they announce an expansion it might be years until all the announced positions are filled. If an employer's goals are three to five out, we try to work with them early on to get high school seniors or Central Piedmont graduates understanding what the opportunities are when they graduate so we do work much earlier to get that count developed.

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Barnes: Let me ask you a question because this comes up frequently on this Committee and with the Council and that's this idea of hiring locally and trying to help in our distressed corridors to gain employment. How much success do you guys have in helping some of these local citizens who struggle to get employed, particularly in the distressed business corridors? Is there any sort of prioritization for that?

Partridge: Yes, if you look at who we serve which is a slide further in there. There's a breakdown of the average client. As you can see, almost half of our clients have a high school diploma or less so these really are folks who are not going to jump into a high wage high skill job overnight and we spend a lot of time with career coaching with our training dollars to try to focus folks to get them on a career path because we have been very good in the past. I think JTPA and other programs encourage providers to check the box, we got someone a job and you feel you did your job. But if you look at the stats, those are sort of the repeat customer. Say six months later, they lost their job because of transportation and child care issues and they end up back in our system over and over again. You look at some of the studies that are done by group NBC and others across the south, we got chronic poverty based on zip code and it's really focused on south. It's not a Charlotte unique issue, but the question is how we break the cycle. We've got the Foundation for the Carolinas and other groups delving into that issue but at the end of the day, looking for a job and finding where you're going to put your efforts, whether that's time to go to school in the evening, whether that's money that you're borrowing or getting a grant from us, you really want to know that the investment that you're making is paying off. We've done a poor job as a society preparing our youth and adult job seekers to do that. We hear a lot of things. CSI probably generates more people going into criminal investigation than there will be jobs in any of our lifetime. The training providers out there will always fill the void of an interest. It's our job to give that sort of unbiased information about who's really hiring and what skills they need to go into those fields so we hope over time to get these career pathways focused into high impact schools and that's why we wanted to be in the schools. It starts early, you need to start at 8th grade or lower. Getting kids to talk about careers, getting them exposed to what our manufacturing jobs look like. Most people it's not a skills gap, we can train anyone for anything. It is the parents and the kids wanting to go into these jobs, and by the time you actually need a job, you don't have the skills and then you're stuck and you say I need a job, I'll take a minimum wage job, work in retail or hospitality and it's not always a career path to see how you can keep moving up the career ladder.

Allen: I think I would add to that with the career pathways is our upscaling efforts as well so working with employers to see with entry level employees, let's find a way to build their skills and promote them up within the organization to create a pathway for a new entrance to come in. I believe that many organizations and companies if they need a high skill based, they are going to look for them are they readily available and many times that's helped get some individuals outside of Charlotte. That's how I got to Charlotte in that method. But why not work with employers to say you take your individuals, we'll help you train them, move them up so there becomes a new pathway for individuals that need to enter the workplace.

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Roselli: I just want to add one comment. The realization having served on the Board for three years, \$7 million dollars sounds like a lot of money, the reality is that it's a drop in the bucket. The issues you're talking about, in my opinion, can't be solved with the Federal funds. It's only going to be solved by matching the private sector dollars to create those types of jobs to get people into work and in those pathways. That's one of my passions on the Board is we've got to make those connections in the private sector because the private sector is spending multiple more money than we will ever spend.

Barnes: So what are you hearing from the private sector in terms of the deficits that they see in our local talent pool? What I keep hearing is, especially the young people, they don't know how to think. I hear that a lot. They literally, unless it's some app on a phone, they have no idea how to add two and two. What sort of feedback are you getting from employers?

Partridge: There's concern about hiring youth directly from high school. I've talked to employers that have apprenticeship programs, others then say would you like to take some of our CMS graduates. We even have a great program like Olympic and they will say you know, we would rather have a Veteran or someone that's has been through leadership development or has the soft skills to really interact in our work environment so making sure that we spend the time. The City does a great job with MYEP and others to sort of put kids through that work experience because that really preps them. It gets them excited about learning something new and tying it back to education but it also prepares them for what work is really like because most kids will not work during high school. The way we grew up you had two or three jobs every summer, those jobs are not available any more. A lot of them are held by adults trying to make ends meet, so kids graduate, even from college have an unemployment rate of 20% and that's with a college degree that you might have paid a lot of money for. Our workforce development system and education system are very irrational because the employers are often an afterthought during program design. Many training providers say they have consulted with employers but if you push them, they will say well we talked to an employer or two. Developing programs to meet industry needs, you need to talk to dozens and hundreds of employers to make sure that the people that you are turning out can meet an industry need, not just one employers need because that employer may not be here forever.

Lyles: I think the Chair is making a great point on the side of how do you get the data and statistics for what's out there and available. Talk to me a little bit about how you get the statistics and availability around the labor pool because that's what I'm never sure of. When we talk about the business investment grants, I've heard a lot of a success that you guys have been at the table, pushed and gotten those connections made but that's one segment. I see where you've got the career paths here for advanced manufacturing but I'm just wondering when you look at this, the people that I don't see are those that don't have a high school diploma. Are these the categories that match your supply side? Tell me a little bit about the supply side.

Partridge: Sure. What you're seeing there is the demand side and we do look at the supply side. We have several subscriptions and different databases, EQ and different ones that are out there that ED groups use such as the Partnership and the Chamber as far as Centralina as

well. We actually share a license with Centralina as a shared cost. That tells us sort of forecasting where the job growth is. Some of it is looking backwards so there are some limitations to what they will say based on population growth. You can forecast retail jobs and healthcare jobs. It's harder to forecast manufacturing because a new relocation could add 1000 jobs overnight. We look at the demand side but we also test it. We meet with 1300 plus businesses a year and we talk with them about what their needs are and say is this data real. Head of HR, Larry works with Carolinas Healthcare and we had a presentation with the Chamber at our Retreat and one of the questions that came out during the data is that we need more nurses and he said, "No we don't". That's misleading so the data has to be tested in the real world because otherwise you can make false assumptions about the glamping of production of students and graduating more folks then when jobs don't exist. On the demand side, we try to look and we need to do a better job of this because the data is fragmented. The skills of all the high school students are in there, they are in this database. We don't have access to it. There are skills done at Goodwill where they teach but are not necessarily in our database so we need our NC Works database which is the official database of the State to be used more as a tool to have it on that shared database because then all the skills are in one place and we can query the system to say how many people are close to this job that we're hiring for. Maybe there's 1000 and what these people need to get them up to speed. We did this for Siemens, 10,000 people applied for porter jobs. Most of the people didn't qualify for Siemens but they were very close so we went back and started looking at the database of folks who didn't make that cut and said hey you know there's a class starting next semester that would make you Siemens-ready or that would add \$10.00 per hour to your base wage if you go all the way through the Associate Program. It's that sort of data mining that we need to do more of because people don't think of their career until there's an event. I lost my job, I need a job or I graduated and now I need one. You don't really think about it when you're happy in a job or busy at school. They think about it when they're desperate and need that help. We need to find a way to use technology and other tools out there to help them manage it more.

Lyles: One of the things I really have a great interest in is those folks that don't necessarily have a high school diploma. They don't have any work skills in soft skills or hard skills and yet they are out in our neighborhoods and our communities all the time. I think all of this is really working well but it's working for people that want to get in here and they want a job and they know what to do. I'm wondering, what are your thoughts about the unemployed that have no work skills and don't have access there? Where is that market? How do you count that? What I hear in neighborhoods is just the kind of thought, "well unemployment in our neighborhood is 40% and that's met when you drive through, you see a number of adult people out and about in a neighborhood and you just think this isn't the way that they are going to make that neighborhood better. I get the student part and the folks motivated but one of our real concerns, I think, in this community when you look at economic mobility, is what are you going to do with the current population, no access to you (Charlotte Works), not whether you have it or they don't know about it and no skills that they can actually do any work. One time we had a real focus on that and now I'm wondering where it is.

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Austin: Included in those people who are hanging out are the people who have had some kind of interaction with our criminal justice system so they have created this other cultural of people that don't have jobs and they continue to engage in criminal activity and continue on this spiral downward flow. We're never able to get them moving upward. Do we have businesses or agencies or programs of any type that helps that sector of people? They just continue the problems that we are experiencing in our communities as our Chairman talked about.

Partridge: Yes there are organizations for community transition; the criminal justice system actually has access to their own workforce training programs. That's part of you follow the money. D.C. is part of the responsibility for this problem is they fund different agencies to do different things so our money comes through the Department of Labor. There are job training programs run by the Department of Commerce, Department of Corrections, even the Department of Transportation has a special grants. I know CATS has looked at applying for apprenticeship dollars so they're trying to do a better job to coordinate that but it does flow differently. We do work with the different agencies; we partner with the Center for Community Transitions. We work very closely and have a monthly meeting with them and talk about how we funnel folks into our training program. Our program, we can't really spend money on folks until they have received their GED. There is money through Central Piedmont Community College. If someone walks in and says I really need my GED, we will then make the warm handshake with Central Piedmont and put them into their program, and as they graduate, then we come in and wrap around the additional job coaching and the training dollars if necessary and put them on a path to get that next set of secondary skills. The GED is not enough in most situations to get you a good paying job. We're that second stage after the GED but we do partner with most of these organizations.

Roselli: The reason economic mobility is the first pillar in the strategic plan, I think the same things that you all are saying, is the same discussion we had with the Board. I think that concern is there but I don't think we have all the answers. I won't pretend we have all the answers. It's interesting for me looking through the economic crisis. There are so many unemployed people. It was easier to get the people back to work, that works done. What we're left with are a lot of people that are unemployed. I can hear businesses saying that if I have 10,000 people applying for 400 jobs, why in the world would I take the 400 hardest to train out of that pool of 10,000. That's private industry and that's logical. I think the discussion around why it's good to get people that are unemployed back to work civically and the benefits of it as a community is a discussion we need to have broader in the community. I think all the businesses have to work on making it happen but it's hard. It's hard to go to a private industry and say take the people that are going to be the hardest to train and get to work. I think that's a civic change mentality we need to make happen.

Lyles: I'm going to say something back. Basically, for the chronically unemployed, perhaps the people that Al and I are talking about, they don't really qualify for the WIOA and that where they do get opportunities it's as fragmented as what used to be before this program came along for coordination and we don't necessarily have anybody building the economic case to make a difference in that area locally. Is that what I concluded?

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Partridge: I do think we work much better than we did ten years ago. Part of it is the shared data. Our database at NC Works does pane against wage records so more agencies are trying to work with us because there are always good questions from elected officials. How successful is your program? Unless you know if they're employed or not and what they're making, you can't do that. If you just follow-up on saying well let's keep calling people we've served in the past, it's very time intensive and a lot of times you don't get the feedback. Our database changes against every quarter wage record to say here's whose working and here's whose not. Here's what their wages are and here's how they're grown versus previous employment. I think the issue is just the scale of the problem. We have \$7 million, \$4.2 of that is set aside for our adults, the job centers and the chronically unemployed. Of that \$4.2, we spent almost \$2 million on job training that impacted only 400 people.

Lyles: Four hundred people for \$2 million?

Partridge: Yes, that's about \$4,000 per person average. In wage subsidy programs, which we do pilot with 50 of those 400 people, will cost us about for a six-month job experience, a maximum of six months, costs us \$10.00 an hour to process close to \$10,000 for six months. So if we say we're going to take all the \$4 million and just do wage subsidy, we're going to help a few hundred people and that's it per year and we'll do nothing else that we're legally mandated to do.

Roselli: To your point and your concern about leadership, that's where I want to see us go. We don't have enough dollars but we have bully-pull it and mandate and pull the community together to have that discussion. That's what I'd like to see us do. But as a private citizen, the answer to your question is yes, no one is playing that role right now. I think if they look at Charlotte Works and say, "Charlotte Works, how come you haven't solved that issue", we will be saying that five years and ten years from now. I think we are part of that solution. I don't think we are the solution.

Lyles: So the group that came to ask us for \$10 million dollars, I can't remember, budget before last, they were asking you for the \$10,000 that you do for wage subsidy, they were asking us to provide \$10 million.

Partridge: Yes and that \$10 million would help 1,000 people.

Lyles: So we can't work our way out of this with just a funding issue? It's got to be a private sector. Is there a model?

Partridge: On the wage subsidy, no. The private sector when there are some examples. We should be working more closely to solve this. We should be for business finding good talent is a costly. They hire firms to test and vet people. If they could all of a sudden do that at no cost, they will work with us. We need to find a way to identify some of the sectors that are high growing that allow that entry level wage opportunities. I've talked with Mohammed Jenatian at HTA and others about how we create this hospitality pipeline. If we send someone for training, there should be guaranteed interview at the end. It shouldn't be

good luck and I hope this certificate pays off we sent you to. We need to get more businesses to step up to do that. To your point, people don't know about these programs. The Feds and auditors don't like us to spend our money on marketing, but most people who find their way to us, say I wish I'd known six months you were here. We need to get the awareness out both to job seekers and talk to businesses. We're not going to get those 7,000 internships by just asking one or two businesses, there's got to be a sustained leadership campaign at the local level to get businesses to understand the need and what this does to the community by helping out. Businesses are key to this and that's why they spell it out so clearly in the new law. They want businesses at the table.

Barnes: I think Mr. Roselli hit on something that we don't talk about enough and that is that when you look at what private businesses want to do, it's always whatever is in their best interest from a bottom line standpoint. The question in my mind becomes are we talking about a population that will always need the government. In other words, unless there's a critical change here and here that some of those people will always be coming back to you and never really advancing. You're right, if you have 400 jobs and 10,000 people applying, they are you going to take the 400 most qualified crême of the crop types and everybody else would be good luck. That will always happen. Is that kind of what we're talking about? There may be this population, we call them chronically unemployed, that may just be that group of people who are always with us, at least many of them.

Lyles: My thing is that may be that generation, but even if they just show up, if they have a kid in the house and they are going out doing something that day, that makes a big difference in the perception of what they are which drives me to the Housing Authority programs that are supposed to. When public housing was around, people worked when I was coming along and they moved out of public housing. Now, I see public housing as generational opportunity to stay. Not only do we have the chronically unemployed, but what about the chronically housed.

Partridge: We did partner with the Charlotte Housing Authority and got \$2.2 million dollar HUD grant, we put in some dollars and so last week they did the ribbon-cutting and had the new shared access point site. We provided all the computers, basically it's a mini job center on site for the residence and we're going to do classes and workshops there so that we're there all the time providing that coaching support. I think you're right, it comes down to what is our community vision and are we all on the same page of that. Our goal is that been lucky in Charlotte that so many people are moving here at the same time, jobs are being created. Had people not wanted to come here, we would have had a real problem of filling any jobs that would have slowed down our ED pipeline. The people in our community are the raw talent; it is our job to develop them and we need to make it as easy as possible and we're not going to do it one on one because the resources are not there right now. We need to use technology in different ways; kids can use apps but let's make apps fun enough to get them to learn something about the job market. Siemens has a great example of how to run a factory. How do we get interested in some things they have never given thought to? When I first came on, our youth program they're aspirational thing is we don't want these kids to have jobs; we're going to give them an internship at TJ Maxx. Great company but I don't think this is really going to get this kids

aspirations up to say well I can do more, I should stay in school. We need kids to be exposed to the opportunity that all of us in this room got as a kid and we need to be ok with alternative strategies, like apprenticeship and others. It's often seen as four year degrees are for those who are privileged, everyone else is sort of its ok with a two year apprenticeship for everyone else. I spoke to a group of 200 people at a pathway conference on Monday and asked how many people would recommend their kids to go to an apprenticeship, these were all educators. No one did, they all want their kids to go to Duke or Chapel Hill. They've got aspirations for their kids but we need to start to make it the alternative to the four-year degree. It doesn't mean you're giving up on college or four-year degrees. It's just a different strategy to get there.

Barnes: One of the things that we've talked about as a Committee is as those people are coming to Charlotte to fill jobs, that there is always this core population that's been here that never gets tapped. People come from Boston and New York and fill this job but this crowd that the three of us have been talking about is it's always in there and nothing changes. Think about that and we'll keep working.

Autry: I'm curious about what role transit may play in access to transportation some of the employment challenges that your clients face. Is there anything that we can do about disbursement of the employment centers, the job opportunities so that we can address congestion, air quality and the time away from family in those communities?

Partridge: You brought up probably the biggest issue that a lot of job seekers tell us. We will pay for training. If we're paying for training, we will pay for a bus pass and we can pay for daycare while they're in training but once they're in the job market, they have to take that on. There are subsidies through CATS that we can get into that DSS and others have access to do discounting tickets that we can purchase for clients that qualify. Transportation is key. A lot of times people just stop showing up for work one day and you start to research why, it's like their car broke down or they didn't have money to buy a bus pass or their child was sick and they couldn't take them to daycare. For a lot of people, if you don't show up, there is no second or third chance. It is you're gone, you're unemployed again. Having a robust and it's not a job by itself, the infrastructure whether it's housing, daycare or transportation is critical. We're lucky in urban areas. In meetings, I talk to other report board directors in rural areas and there is no public transportation. If they don't have a vehicle, they are out of luck about working. We at least have part of the equation, but making sure it's accessible to all is something we do all the time. Again, we're always choosing; the more we subsidize bus passes and child care, the less training dollars. We're one of the few pots of money that even do training. No one else has it. It's a hard decision a lot of times for folks which we prioritize.

Hynes: Some of the Charlotte Works Board Members went through a role play. What's it called?

Partridge: It's a poverty simulation.

Hynes: We were part of the family and we were given the assets that we had and that's what we had to work with. We had to sell our furniture and buy bus passes. There were certain

rules you had to go by. It was a two-hour long simulation. I found myself extremely stressed out by the end of this because during the middle, they will say "your car was reposed" so you don't have a car anymore so you're riding the bus now. That's it, you're riding the bus and then your washer breaks down. You don't have any extra money to fix that stuff, so not only are these folks trying to get to work, they are just trying to live so they're stressed out anyway. I would encourage everyone to go through that exercise because it gives you a new appreciation of what the poor deal with.

Barnes: I grew up poor so I don't need to simulate but I can appreciate it.

Allen: As a single parent family, I'm good but within 30 minutes, I was sweating. I didn't have the services and the bus so where I thought, I'm good, I was not. I was physically shaking within the first 30 minutes of being a mother of this family in a conference room.

Roselli: The reason we did that in the private sector has to be 51% of the board. I'll say this for myself, that's not the life I grew up with and I know in the private sector and people on the board don't have an understanding and sympathy so even for two hours, taking the board through it, started to open some people's eyes. That's part of how we're starting get this stuff to happen. For a lot of the private sector folks, they live in that nice little cone of wealth in Charlotte.

Driggs: I attend board meetings in Communities in Schools, Goodwill and CPCC and I hear people coming at these issues, disadvantaged ones, including the former inmate population. It still fills a little bit to me like they operate in silos. They all take about coordination; you actually have like a comprehensive idea of how services were delivered where you say this is a Communities in Schools project. They need to be case-managed over there and those people provide access. Goodwill is very focused on trying to get people who come out of the justice system back to work and give them jobs for a while so they can establish a track record. Would you actually review individual cases with them or do they talk about where your services come in or if you've sent people to them? How is all of this integrated? My concern is just we may not be getting the best use of the resources that are being applied to this because they are being applied in a patchwork fashion.

Partridge: I agree, we do not probably spend as much time case managing folks between agencies as we should. There is definitely the handoff. Michael Elder sits on our Board of Directors so he is at the table. We work with Crisis Assistance, the Housing Authority and all the major partners. CPCC and UNCC are on our Board so we make sure that we've got all the major partners that touch either the education side or the major players in workforce development. There's always going to be small nonprofits that we're trying to partner with and there is always one's popping up that we find out about six months after they open and we try to have those relationships. The handoff is critical because we don't want to replicate what we're all doing. We want to say you're the expert at serving this population and we're going to support you. We were not the experts at serving Vets, Charlotte Bridge Home so we fund two positions in their office. When Vets are coming to Charlotte, and they need help, we refer them to Charlotte Bridge Home first. They will make referrals back over time if need be but we wanted to make sure we're not the expert in everything. We

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know our place but we want to support the agencies that are good at different populations in different ways, whether it's funding staff or providing resources.

Driggs: So Communities in Schools knows, for example, which students will be put in touch with you?

Partridge: Yes, we're in three different high schools, MeckEd runs our in high school program. If you're familiar with MeckEd, they're really about getting in career awareness and they're in several other high schools, we're funding three of them. We try to make sure we're always coordinating both the school and out of school programs.

Driggs: Ok, thank you.

Hynes: Can I add one other thing?

Barnes: Ok.

Hynes: A good example of what Steve was talking about, I got an e-mail yesterday from a Colonel in the U.S. Army who is coming to Charlotte today and tomorrow and he wanted to meet with me to talk about Vets and their program and how they replaced retired Veterans when they're finished with their service and I thought to myself, I can meet with this guy, but I think Steve would be a better person to meet with him. I e-mailed Steve and he said yes and I'm going to bring in Charlotte Bridge Home because they are the organization that actually focusses on this. We're all communicating and trying to get the right person at the table to make sure that people are being served.

Driggs: CPCC is very focused on this.

Partridge: Yes, they have a great program. One missing thing that Bill and I have talked about is we need a visual of this. A lot of times we all go with our heads like, oh yeah, a hand off here and a hand off there or it's in some large document. We need to make it easier for the average citizen and policymakers to understand how this all fits together. We are working with Central Piedmont, just to tackle to apprenticeship piece because there are so many people. The State, Central Piedmont and businesses have a role. We have a small role, and the apprenticeship the City has with MYEP. We're trying to create some visuals along workforce development to make it easier so you can see how they all fit together.

Austin: I'm just curious, what agencies or groups are you working with on the former inmate population? I heard Goodwill.

Partridge: The Center for Community Transition, Goodwill and then we've worked directly on some grant applications with different law enforcement agencies that are applying for grants through the Federal agencies.

Austin: I would also suggest the Exodus Foundation.

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Partridge: Yes, we sponsored their job fair recently. We were out there helping people connect jobs and employers.

Austin: I'm really focused on this because I see how this is affecting crime in Charlotte so if we can get people employed and find employers that will hire them, I think we can begin to reduce some of the crime that we're experiencing because these people can't find work.

Partridge: You're exactly right and to Councilmember Vi Lyles question, what about the people that don't raise their hand. That's the one we're always worried about. In CMS and others, it's easy to pick the kids that are going to break through that glass ceiling and say oh that one is going to go farther. They are doing volunteering and doing afterschool activities. It's the one that never raises their hand that worries us the most because that's the cycle we need to break. CMS doesn't own internships. They don't really say, well we want to do it but who's in charge of career advising our kids. If you ask CMS to say we don't want the resource to do it, CPCC will say well we can talk about our programs. We've said we want to own it; we're probably not resourced 100% to do but we're going to own it. Otherwise, we'll never break that cycle. It's harder to teach the adult who's 30 or 40 and say hey, let's go back to school and redo everything. It's easier to start early. We as a community should be ashamed that we don't put more resources into that.

Cronin: Steve gives a little foreshadowing of some things that we're working on in terms of creating a coalition but exactly to that point as far as where do we steer people when they have needs whether they're perspective employees, whether they are employers. Just coming new to the community, trying to navigate that system as a practitioner was rather difficult so we said how hard is it for the people who don't do this for a living to find out where they're supposed to go. Because of the emphasis in the repeated request to look at things like an apprenticeship programs and pre-apprenticeship programs, we gathered a group together to say ok, let's map out the talent pipeline so that no matter where you're at in the process, we can direct to where that entry point is to any of these programs and give you a nice strong visual that you can have as a talking point in your tool kit or employers can have, or frankly everybody that's in this room can have so that we can speak to it. Also, from a community-standpoint be able to map out where that pipeline is going to be and look for gaps. That's something the first week of November we're looking at announcing this coalition, it's a little foreshadowing, but it has all to do with mapping our talent pipeline and making sure that the employer base is also aware of that and that we really are talking the business.

Allen: The final is labor market intelligence.

Partridge: We also touched on job creation. Katie is going to mention quickly about how much when we talk about incentives, we're often in the finalist for a lot of opportunities, when they finally call us, they're narrowed it down to Charlotte but the talent question comes up a lot and because we've invested the right resource to answer a lot of business questions, we believe that we've made some difference in a lot of the companies that come here and companies have shared that but recently a very large one said they chose Charlotte over a

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city in Florida in part because their workforce folks at the table couldn't answer any of our questions about where the talent could come from.

Hynes: I'll emphasize what Steve just said. I've been doing economic development at the Charlotte Chamber for 15 years and labor it wasn't always the number one focus. I would say with most companies that is the most asked question was about labor and skilled labor and do you have the jobs to fill the positions that we're going to bring to your community because no employer wants to move to a community where they can't fill positions.

Barnes: Right.

Hynes: They're usually moving away from a community where they can't fill positions. A good example is the Albemarle Corporation. They are in Baton Rouge right now and they're moving to Charlotte and they are very excited about it. I went down there last week and talked to their employees about relocation and what's involved in that and talked a little bit about Charlotte. One of the things the CEO talked about is he said we could have stayed in Baton Rouge but we can't fill a lot of our positions in the community and we need a community that has higher skilled and a better skilled labor pool. Skilled workforce is extremely important for us and when we have a client that comes to Charlotte that is looking to possibly relocate to Charlotte, we always brings Charlotte Works to the table because they're experts at talking about the labor force. Companies what to hear about the labor force between Charlotte Works and Central Piedmont Community College. It also helps fulfill part of the State incentive of recruiting and training, which is what we want. A lot of those employers are looking for soft skills training because even the people that they have at their companies are not trained as well as they could be in the soft skills.

Barnes: One more question before you move on, you guys are not a political arm but if a member of our staff asked you this question, I hope you will be able to help. If you look at the Charlotte region and the surrounding counties, if you discover that, for example, 65% of the employers are looking at this region need young talent or talent that's good at making widgets that are plated in gold and that CMS and the surrounding school systems aren't providing that. Is there some methodology or some mechanism by which you all would communicate that information to our State Legislative leadership so that they can consider it in their funding of public education and help the school systems in this region to teach their kids how to plate witches and gold? I'm only responding to one particular skill set but if you just discover that's a common thing, they all want kids who can do this stuff. Like keeping driver's Ed around; it's a reason people need to learn how to drive and not just hop in a car.

Partridge: Yes, we often talk with Legislators, both at the State and Federal level because they care about these issues. It's all Federal money but the way the money comes in it has to be appropriated by the Legislature as well so they often talk about workforce even though our dollars are not State dollars. The State and County fund the community college system and a lot of different programs in the education pipeline. We're a drop in the bucket even statewide. We get \$75 million statewide for WIOA workforce boards. If you look at the community college budgets statewide, you look at K-12. That's the true pipeline. That's

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where we have to focus our efforts so we can get people thinking differently so we work very closely under the NC Works brand that's actually made it to three agencies. Educate at DPI community colleges and the Department of Commerce. They've sort of driving the changes for NC Works so that we work better together and putting the mandates that we work closer with our kids in through the system. We often get calls from Legislators all the time who want to see a job center if they've never been in one before or come down and ask questions about where should the priority be.

Hynes: Let me add one more thing on that. Not only do we talk to Legislators and the Chamber has a public policy department as you know and they may partner along with Steve and what his needs are. Also, Central Piedmont Community College and UNC-Charlotte are very big on corporate partnerships. A lot of times they have corporate presence on their boards and so they want to partner with companies so they can produce students out of their programs and feed them right into Charlotte companies. Siemens is a perfect example of that with EPIC at UNC-Charlotte. MetLife is partnering with the University on their risk management program. CPCC is partnering with a lot of manufacturers on the Mechatronics program.

Lyles: I know that you said on the Agenda will be to approve the updated consortium agreement and I guess that's an action step the Council is being asked to take. I guess as a Committee we really didn't review that. I don't know if that is something we're going to say the Committee recommends so I would just say staff you guys figure that out and let us know how that works. If you want to send it out to us in advance, so at least we can say that we had a chance to look at it as a Committee. The other question that I would have of the Committee as we think about this, we all know that jobs and the economic mobility task force work that's being done is integrated so I'd like for the staff to come back, working with you to talk about where you really see your gaps. I know said a lot of this is funded and you're prescriptive but there are probably things that you see that would make a difference and we don't know what those are. We see what you do; we hear the information in the community and we kind of have some ideas but you have become our experts this is why it works this way for the Board. I'd like the staff to actually work with you to come back and say where are the gaps that we need to be successful. You've heard us add to your list, not just the walk up chronically unemployed, but the unemployed that are not looking because they have given up completely and where can you help in that. If we can get something like that to continue our discussion, that would be very helpful.

Kimble: We will send the agreement to you ahead of time. It will be also an attachment in the Agenda when it goes out but maybe you can make that a part of your action if you are so inclined to approve the consortium agreement as part of that action say a referral to Economic Development to look deeper at the gaps that are out there in partnership with Charlotte Works.

Lyles: That's fine; however we need to do it. I just think that you guys need to give us some help to confirm what we're hearing and what we may not accurately be thinking.

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Partridge: A lot of people ask me where our funding comes from. Congress appropriates it to the Department of Labor and the Department of Labor distributes it to each Governor and the Governor decides how it's distributed in each state. The Department of Commerce is our overseeing agency. They spend a week with us every year auditing all of our books. They are one of several departments where we have to use the NC Works brand. They basically are our regulators that we report to. The role/joint power of this law is it is local control so the Governor sets the ground rules. You, by appointing the local Board of Directors, sort of gives that local flavor of saying these are our local industry leaders, we want you guys to come up with a Charlotte specific. It's Mecklenburg County that we operate in, but what is our local needs that fit in with that framework the Governor sets up. That's how the money comes in. You appointment boards; we have a 25-seat of members that rotate on three-year terms.

Lyles: They're prescriptive.

Partridge: There are some.

Lyles: We don't really appoint; we put names by slots.

Partridge: That is correct. Your most flexible ones are your business leaders. It is hard to say that you have to appoint someone that represents an economic development agency. You may say we got the Chamber and the Partnership, those are our two choices but with the 51% business leaders, as long as they represent the sectors and are key decision makers in their business, that's where there is flexibility so that gives us the most flavor for our Board because board members that are engaged drive the system. I work with a lot of boards and they are still operating like its 1975 because they have board members that have been there for 20 years and never really look at their community in a different light. I'm very fortunate to have board members that ask really tough questions and ask us to keep pushing the boundaries. That's a big piece of what you do and you also provide fiscal oversight. That is an optional thing that you have done that provides a lot of the way the money comes in. It's a reimbursement grant so we expend it and send in the invoices every month and you pay us back.

This is a quick breakdown of how the money comes in, they are slotted. We receive approximately \$7.25 million but that amount has certain categories of use; \$2.1 is for adult which has a legal definition in Federal law; \$2.15 million is for our dislocated workers. That number directly ties to our unemployment rate so as we improve, that money goes down every year; \$2.28 million for youth and \$0.72 million for administrative.

The impact question is who did we help last year and how did we go about doing our business. We helped 1,300 businesses, 38,000 individuals is also State law that requires anyone going into employment come to our office in the fourth week of unemployment to meet with one of our career coaches to talk about their job search so that drives a lot of the attendance at our centers as well. You can see also a very big number that the adult side of things, someone that works with us and comes in our system and actually takes advantage of the services has a 76% placement rate within six months of exit of our

program and then you can see the number of youth served. Four years ago, we served about 120 youth; we've quadrupled more than that, we're up to 577 youth served and we're still trying to grow that number even more. We're now looking for outside funds too. We're 100% Federal-funded but last year we got a Belk endowment grant in partnership with the State and a Walmart grant for \$250,000 for Veterans so we are looking for outside resources to bring to the community.

Barnes: With the adults who enter employment, how many of them are still employed?

Partridge: The retention rate is actually good. I'll get you the exact numbers but it's in the 70's and 80's. For the dislocated workers, it's like 89% so if you already have the work experience once you've gotten that job again, you tend to stay there. We also are an on the job training program, which is that expensive piece. Say if you're an employer and say you can't find someone with this skill set, I have an applicant whose unemployed that has 70% of the skills that I need but they're missing that third. We'll subsidize the wages while they learn on the job and you teach them. The retention rate obviously for their employee is through the roof on that one. It's a 100% placement because you have hired them but then a year later, they are still there at like 95% so it's a great program, unfortunately, and it's an expensive program.

What we need, we were talking with a few Councilmembers about the consortium agreement but also the awareness piece. You have a lot of tools that you can expose to the Government Channel water bills, ways just to talk about there is help out there and how can businesses help offer an internship. We have a website with tools on how to help businesses set up internships or work opportunities for kids. And finally, we're 7,000 short of our goal and how we're going to get there, it's going to take someone when we first start and set this goal, Mayor Foxx actually would just get on the phone and start calling businesses and say this is the Mayor and I want you to offer an internship. We need more of that, both from the Mayor and Council and any relationships that you have, we need them leveraged because we meet with law and businesses but we meet with less than 5% every based on the staff size so we need deeper penetration with more businesses. These are a list of our three offices here in the Mecklenburg County area that provides all of these services. We also have a network of about 30 staff sites. We partner with community-based organizations, like the Housing Authority and churches where we set up resource rooms for their parishioners or their clients to access our services so they don't have to take the bus all across town to look for a job.

On the next three slides, you have hard copies which are some performance metrics that we have and demographics.

Driggs: Are you aware of this new group of 25 CEO's that has recently been constituted in Charlotte?

Partridge: Yes.

Driggs: Are there specific project or any particular thing that they can do for you?

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Partridge: I think your suggestion of skills gap analysis of what's missing from the system would be a great way to approach with some research to show them the potential needs that's out there.

Barnes: Mr. Kimble, it seems that this September 28th item will be automatic. Do you need a motion from the Committee?

Kimble: If you think it needs an action as a recommendation by this Committee, or would this more to inform and allow you to have an expanded conversation about it as the consortium agreement goes to Council.

Cronin: I think there was a request from one of the members on the Committee from Council to bring it to the Committee to bring back to Council.

Kimble: Then probably a recommendation of both to recommend would be in order if you're comfortable.

Barnes: Ok, are you comfortable?

Lyles: I move that we have a recommendation to approve the new agreement reflecting the amended and reinstated regional consortium agreement and as well ask the Charlotte Works group to come back and provide additional information on the gaps analysis. I would like to see that by our Retreat time in January or February where we might be on that.

Austin: I second.

Barnes: Ok, we have a motion and a second, do we need further discussion? All in favor say aye. Any opposed?

VOTE: CM Lyles made the motion and CM Austin seconded the motion to recommend the Amended and Restated Charlotte Regional Workforce Consortium Agreement to the full Council for action at their September 28th Council Business Meeting. And as part of the agreement, Charlotte Works will report back on the gap analysis. The vote was unanimous (Barnes, Lyles and Austin) with Mayfield and Fallon absent.

Barnes: Thank you everyone that was very helpful. Our next item is a brief update on the High Growth Entrepreneur Strategy.

Lyles: Do we have enough time?

Kimble: Yes, this is a brief conversation. This one is going to be shorter than the first item. Natasha Warren from Neighborhood & Business Services is here to give you that update. We are scheduled at 1:30pm but that's not a hard stop. Ms. Warren and Bill Cronin is here also assisting and Mr. Mumford.

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Barnes: O.k. Welcome again Ms. Warren and Mr. Cronin.

Warren: The idea here is just to stay kind of high level and give you an idea of what's been going on with the implementation of this particular strategy. I wanted to reiterate that there is a show of support here in the room from our high growth communities so some of those folks who introduced themselves earlier so I wanted to make sure you were mindful of that.

I'm going to do a little bit of a different kind of setup today. What I want to do is talk a little bit about what we've learned in this process. It's been very interesting. I'm going to tell you a little bit about what we've learned and then I'm going to remind you of how you even decided to adopt the strategy. I think that's pretty important and then we'll touch on each component, if that sounds ok.

Barnes: That's fine.

Warren: Adoption of this strategy and implementation, we very quickly came to realize that what we were embarking on was a culture change. It was a culture change for the folks in the organization, in City operations thinking of the things that we do differently trying to be more innovative. Trying to think differently about how we might procure our products and services. When you have folks that are very used to kind of doing their job the way they have always done it and doing it well, they don't necessarily look to maybe necessarily be innovative in their work or to look to others to help them solve problems that they may be having so it's been a culture shift within the organization. What we're doing in the organization actually represents a culture shift in the community as well. I wanted to make sure that I pointed that out. This has been an iterative process for sure. We have tried some things and they have not worked. We've tried some things that have also been relatively successful and some things that we felt went really well. The expectations on time for implementation of some of these components of the strategy, I think we might have been a little aggressive in some of our goals. Some of the things that we embarked on and are still working on, we're still really working on them and it's going to be a while before we get where we want to go.

The allocation of resources for some of the stuff we're trying to accomplish, we need to be mindful of whether we've dedicated the right amount of resources. Think about, for example, the fact that my office also manages the small business programs. We have Charlotte Business Resources.com to handle and the consortium that we convene as well that's behind the Charlotte Business Resources.com work so that is important to be mindful of. I think you'll hear that in the rest of this discussion.

Collaboration is really key. We found that out, we knew it going in but it's even more apparent as we've moved along. Working with our stakeholders consistently and working to maintain strong relationships that are when we do the best. When we back off of that and don't stay in lock step with them, that's when we bolter.

So how did we get here? At the time that the full Council asked us to look into adoption of the strategy, we knew that the economy was going to recover slowly and we weren't going to come out of that very quickly. We also knew that in the start-up community there were some really great things that were happening. You can see there a list of some of the efforts that were underway. A lot of great organizations were opening in support of the entrepreneurial community so again, just sort of pointing out some of the things that were happening there. Do know though that it didn't just stop there at 2012 when you adopted the strategy, I have a list of things that have happened since then that show that this momentum has continued.

With that, you decided to adopt the strategy in November of 2012 and they are the objectives that we were trying to reach. We wanted to make sure that the high growth companies that started here stayed here and that we were able to bring more here. So we wanted the ones that were in other big cities to come here and say if Charlotte is great, I'm going to put my roots here. We also wanted more venture capital. We wanted those investments into those firms that are here in Charlotte and are going to stay in Charlotte. Federal research dollars into our local universities, we felt like that was really key to helping this entrepreneurial eco system grow and be vibrant.

The components of the strategy were a five-part strategy. We wanted to make sure you were able to talk about the strategy in a way that made sense and was truthful about what we had to offer. We wanted to do some work around us, City staff, using high growth companies in our operations. We wanted to set up a fund that would help support the high growth ecosystem. We wanted to try to help with the last two so I want to be clear about that. These were not things that we wanted to take on because they are very big things to try to accomplish but we wanted to take part in identifying facilities that would help support startups. We also wanted to do what we could to make sure that UNC-Charlotte, what they had going on there at their center of research and innovation that we helped accelerate that. Those were long term goals, we weren't looking to try and do those in six months or a year, those are things we're still working on as well.

With our first item, the promotion of Charlotte's entrepreneurial history and this sort of notion of raising the profile, nationally and globally but one thing we left out is locally. We got to do some work here around people knowing what is happening in the start-up community. We wanted to make sure we provided some tools for you to do that. I will tell you most of what you've done up to this point has been mostly around building relationships with folks in the start-up community. You've been made aware through your Council-Manager Memo of the different events that are happening in the startup community that we've think might be good for you to attend. We have managed to facilitate, in some cases, opportunities for you to make welcoming comments and to even actually take part of the event itself. You've done a lot of that and also had regular meetings with the Charlotte Entrepreneurial Alliance, those are happening annually but we're looking to possibly up those and do them maybe twice a year and that is in an effort to make sure you really have the latest and greatest information and that you know what's really going on in our startup community.

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The Mayor as well has had an opportunity to meet with the Charlotte Entrepreneurial Alliance, those meetings occur quarterly. They did stop for a while but they were recently restarted. We're talking a lot about building relationships and facilitating and understanding of what's going on in the sector, who those people are and what their needs are.

I will mention that very recently in terms of raising the profile of Charlotte on the national and potentially global stage, we did have several articles that were published in April of this year about Charlotte's startup ecosystem. Our Chair of the Charlotte Regional Fund for Entrepreneurs Board wrote those pieces so those were published in the Charlotte Business Journal and we were really happy to see that. We also through the Charlotte Regional Fund for Entrepreneurs sponsored the Southeast Venture Conference. This year is the second year that conference has landed here and provided an opportunity for us to attach ourselves to an event that was going to draw folks from all over the country and the world.

I want to draw attention to something you have at your places. You have a handout there that is two pieces. It's a set of talking points and also what we're calling a draft communications portfolio. We want your input on this and would really like to arm you very well with what you need to talk really well about Charlotte and to have meaningful conversations. The talking points are a draft but they basically tell you a lot about the history of Charlotte as a great place for entrepreneurs. We see this particular set of talking points being one piece potentially of a broader portfolio. We think the portfolio itself could include things like a pocket card for you to physically hand out, a slide deck that you might be able to use easily on a mobile phone, some sort of video that you can easily bring up on a mobile phone to show that it's specific to Charlotte's ecosystem and a hashtag that you can use when you're Tweeting. That represents to me a little bit of a pivot this notion of moving from building relationships to taking talking points and those concepts about Charlotte and spreading them among the folks that you work with.

Next we were looking to try to do business with startups. We want them to help us solve our problems and use their knowledge. We want to engage them around all that we try to do as we operate the City and serve our customers. We explored a lot of things here, this is one of those ones where I would say it was more painful than others and it still is. We're still working on how to figure this out. We've collaborated with our startup support organizations, some of the ones that are in the room actually to talk about what was the best plan for how to achieve this. We talked about our two-part plan where we would try to bubble up issues in the organization and then push those out to the startup community through some sort of pitch competition or hackathon or something like that. We talked about then finding an employee that had an issue and then sending them out into a startup to work on solving that problem. We looked at entrepreneur residents and what that might mean for our ability to take an idea, find a solution and see it through. We also have talked to a number of companies around their products and services. They have not all been local, some of them have been more national in nature but we haven't turned down any opportunity to talk to a company about a solution that they might have for government. We even looked at the Code for Charlotte Brigade, we know that's not

necessarily the representation of the startup community but what we do like is that it provides another way for us to look at how citizens engage with folks who want to help us solve our problems and so we looked at that as one way we might meet the intent in some way in what's happening here. Who knows, one of the Code for Charlotte Brigade folks could come up with an idea that turns into a company so we didn't want to leave those stones unturned. We also shared the occasional solicitations that we might have so an RFP or an RFQ with the startup community we tried to push those out. Those were rare though, they really didn't happen that often. We got some good feedback from our partners in the community that often that's not what they're looking for. These folks aren't really looking to handle our IT contracts; they are looking for things that are a little more creative and innovative so those weren't much of a fit.

The things that we were doing recently and now is we had some energy around innovation sessions. We had someone that decided in our ranks in the City of Charlotte that said hey why don't we do some innovation sessions and see what employees want to talk about, how they can be creative and how they can help solve problems. We've been able to take advantage of that and help try and bubble up some issues in the organization that we can put out to the community and get them to help us solve. We have had listening sessions as well to help us understand how our staff currently tests products and how they adopt new solutions. The idea there is to find out what the best practices are in our organization and how we can create a set of best practices so that when people do want to use a startup, they can do it easily. They don't run into a lot of barriers when it comes to policies and solicitation processes and things like that.

We're looking to do an annual forum or pitch day, possibly even more frequently with the startup community. We will work very closely with our support organizations to see what that might look like and how we might shape that so that it's a benefit to all. We also have coming up next week, we're calling it an education session. It's basically a how to do business with the City because we find that often is one of the most significant barriers that folks have is just how do I navigate the procurement process. We decided to bring that to the startup community and it's going to be hosted at Packard Place next week.

Lyles: Will that include people that are actually making the procurement decisions or is it the people that overview the procurement decisions? I was thinking about your pitch sessions and having them make pitches to people.

Warren: Right now, the plan is just to have folks who oversee the procurement in this education session. The way we're going to engage the people who oversee the procurement decision is in the listening session so we'll have them kind of separate and apart of that.

Next up is probably one of the bigger ones and I think some of the folks in the room are probably very much engaged around this and interested in following this through. City Council put \$500,000 into a fund and you said we think this fund to support the high growth ecosystem is important and so we're going to put our money where our mouth is and pitch in \$500,000 to see this fund. The money has to be matched in the private sector and then the grants can be made on that fund. A lot of work has happened around

this fund. We got the board seated, we got the advisory council seated which does more of a technical review of the grant applications and you got all of their mechanics situated. We have an entrepreneurial growth report that we're going to be doing that's nearly complete and this growth report is really about accessing the health of Charlotte's high growth ecosystem and it's going to give us a lot of good information that's going to help us compare ourselves to other metro areas. The thought there is by having this benchmarked and by having this index, we're going to be able to take that into our fundraising process and say here's what's important. Here's why you should take part in this private sector. Come along with us and let's see what we can make happen.

The inaugural reception for the Charlotte Regional Fund for Entrepreneurs that planning is underway. The event right now is scheduled for mid to late November and you will get an invitation to that. The idea is that this will be a kickoff for the fundraising if you will. We have major donors in the room as well as you all so that you can hear about the fund and what it's all about, why it's important to take part. We will probably share some information from the Charlotte Entrepreneurial Growth Report and go from there. The goals from that fund in terms of fundraising are \$500,000 with \$2 million dollars in commitments. We're looking to do that by the end of March of 2016.

Phipps: Did I understand you to say that's \$500,000 already in it now?

Warren: Yes, the City has that money on our side.

Phipps: This fundraising effort will match that?

Warren: Right.

Driggs: For the same purpose?

Warren: For the same purpose?

Driggs: Are you just going to increase the amount of the \$500,000 commitment the City designated as its use?

Warren: That's the idea.

Driggs: Has anyone applied for that yet?

Warren: We have gotten a request for funding but unfortunately the amount of the request was more than what we had available in the fund. One of the things we think is important is to make sure we have everything set and ready and in order in terms of how the grant process is going to work so that when requests come in, we're ready to really look at those thoroughly and the way that we should and in a fair way.

Driggs: You were talking about getting an entrepreneurial expo to come and engage. Do you know if they came to those conversations?

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Warren: Not that I'm aware of. As far as I know, we haven't continued that conversation.

Driggs: Alright, thank you.

Barnes: Alright.

Warren: The fundraising plan that accompanies all of this it's written and it's been initiated. Again, it has a lot that is in lock step with what is supposed to happen at the inaugural reception because that's the signal for the official kickoff and then we'll move on from there.

When it comes to facilities that support startups, this again is something that we were hoping to assist with. We didn't necessarily think we were going to be the lead on this and that wasn't really our intention but what we did believe was important was that we try to align it in some ways with some of the strategies that we already had in place, like the Business Corridor Strategy. We know there's a vision out there for the Applied Innovation Corridor as well, walkable mixed-use, startups and incubators are meeting up with folks who are on the leading edge. We see that there may be opportunities there as that vision continues to develop. What we've done internally is try our best to make sure we're leveraging whatever resources we have to help folks when they approach us saying that they want space or need space. There hasn't been a tremendous amount that we have been able to do in this area but our Real Estate services group did launch a page that on Charlottenc.gov that does list out all of the surplus property that's currently available for sale so that's one thing that sort of makes things easier for folks who want property. We have also done our best to work as much as we can with our Service Area Teams in Neighborhood & Business Services. These are the folks who are out there in the neighborhoods; they know when a property has been vacant and know who the property owners are. They really kind of understand what's happening on the streets in the areas that they serve and so a lot of times, it's about connecting with them to find out what they know so that we can then make a connection for the folks that are trying to find this property.

Barnes: To Ventureprise and Packard Place, do you guys have space in your facilities?

Wetenhall: Ventureprise has what is called a porter building that opened a year and a half ago and we're now little over 92% of capacity. It's essentially full from our perspective.

Barnes: That's a good thing.

Roselli: Packard Place is about 100,000 square foot building and we're over 90% at capacity. We're actively looking for additional facilities right now, which the City is helping with to expand what we're doing.

Barnes: That's good.

Kimble: And the County.

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Barnes: Ok, I just wanted to ask that question, and by the way, we're going to be wrapping up shortly so we can head over to Bojangles.

Warren: In our Economic Development offices, we know that's its probably important for us to study this issue a little bit more, co-working spaces open all the time but we don't know what the need is. We personally don't know what it is for the broader community so we are going to study this and see what else we might do to assist with this.

In terms of partnering with our universities and trying to accelerate Charlotte as a center of major research, this is another one where we're in more of an assistance role. It's not something we are leading on. The reality is as you see here there really isn't much Federally-funded research happening here, and from talking with our partners, we understand that's not likely to change anytime quickly but what we do see is that there could be some potential if we kind of focus our efforts a little bit differently. Maybe look at where we have some momentum as you see there energy production could be an area we could look at doing research. Again, we really look to our partners to help us understand us and tell us how we can help them to make this a more viable option.

Driggs: I've been watching this as a member of the Advisory Board of the CRFE and my sense is that we're not doing enough to really move the needle here. I talked to David Jones and I think he's done a fantastic job. You're doing a great job but it feels like we're trying to shift the Empire State building. I'm wondering if there are any ideas of what else we could be doing. Is it a question of doing more, are we doing the right things? That \$500,000 has been out there for a couple of years and we haven't identified a situation yet that fully met the kind of goals that we set for that. It's pretty unusual to have ½ million dollars sitting around available and not tapped. I wonder if we should just take another look and see how we're doing this and whether there are other areas that we should consider. Does it take more investment? I know that things like the appeal of Charlotte, to me for example, that cross County trail is probably one of the best things we can do because facilities like that are amazingly appealing. I look at what's happening in New Orleans, which in its recovery from Katrina has managed to establish itself as a major center for high growth innovation, the kind of thing that we would like to do. I hope we don't need a hurricane to get there, but I guess I would just push and say I don't feel us creating a lot of results with this effort and wondering if there's something else we should try.

Cronin: Yes there has been some lag time as they're preparing this report and I think the report study that's coming out later this month that Natasha mentioned is really going to give us that baseline from which we can start injecting a sense of excitement, some enthusiasm and ask everyone here to go out and help us market that. As Natasha said, right now we don't know where all the gaps are, we don't know what we have. If you don't know what you have for a baseline, it's really difficult to determine what that target is. Right now, we have just been saying let's make more. We want more of the startup community, the entrepreneurial and the resources and assets but we haven't really said this is where we're at and this is where we want to be. This study is going to help us to do that and at the junction, I think you will see there is kind of an ask at the end of this thing. What we really need is for everyone at that point to help us to one get more funds from the private

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- sector, get to this fund and you'll have something from which to speak with those speaking notes. It's going to inject that enthusiasm, but at the same time, define where we're at and where we need to be. That is exactly what we're lacking and why they're just seems to be this, we want to move forward but we're not quite sure what the target is. I hope that helped to answer that question.
- Driggs: That's fine. Is the question stepping the effort up? Maybe we should look at that. I see a situation again where I see ½ million dollars that has been untapped after two or three years.
- Barnes: We are about to lose 2/3 of the Committee so we need to wrap this up in 60 seconds or I'll be walking about that arena alone.
- Warren: This is the final slide and it basically just gives you a look ahead so that you'll know what we'll be working on. We'll keep working in the organization to try to use startups in our operations. The growth report is actually finished but we're kind of polishing it and looking at it and trying to understand what it means for us so we're working on that. The communications portfolio, if you like that idea, we would try to get something to you in November. The inaugural reception, the kickoff of the fundraising that will be in November, you'll be invited to that and then peer city research, I didn't really touch on that but that's something you all have asked for to kind of know what others are doing in this space. We will be kicking that off in earnest. I can tell you that nobody else, so far, in our research has a strategy like this.
- Barnes: That's encouraging.
- Warren: That's where we started.
- Barnes: I won't be around for that. This will be back on our agenda soon so thank you Ms. Warren for staying on top of it for us. Manager Kimble, we are ready to walk. Thanks to the CRVA for hosting us.
- Kimble: We are going to meet in the lobby and they are going to route us over there together for the tour.
- Barnes: Motion to continue this meeting at the arena but to adjourn from here, second from Mr. Austin and the motion was by Ms. Lyles.

Meeting adjourned at 1:45p.m.

City Council
Economic Development & Global Competitiveness Committee

Thursday, September 17, 2015
Noon

Ovens Auditorium, Hospitality Room, 2nd Floor

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

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. CHARLOTTE WORKS CONSORTIUM AGREEMENT – 30 minutes

Staff: Steve Partridge, CEO, Charlotte Works

Action: Charlotte Works will provide the Committee with an update on the Charlotte Works' activities and accomplishments. The Amended and Restated Charlotte Regional Workforce Consortium Agreement will also be presented to the full Council for action at the September 28th Council Business Meeting.

II. HIGH GROWTH ENTREPRENEUR STRATEGY UPDATE – 30 minutes

Staff: Natasha Warren, Neighborhood & Business Services

Action: Staff will provide the Committee with an update on the High Growth Entrepreneur Strategy. No action required.

III. BoJangles Coliseum Tour (at 1:30pm)

IV. Future Meeting Topics and Schedule – 5 minutes

Resource: Ron Kimble, City Manager's Office

Topic	Meeting Date	Lead Department
Eastland Mall Redevelopment	On-going as needed	Neighborhood & Business Services
Immigrant Integration Task Force Recommendations Updates	On-going as needed	Neighborhood & Business Services
Business Investment Grant Revisions	On-going as needed	Neighborhood & Business Services
High Growth Entrepreneur Strategy	On-going as needed	Neighborhood & Business Services
Charlotte Business INclusion Update	On-going as needed	Management & Financial Services
City Protocol Society	On-going as needed	Neighborhood & Business Services
Amateur Sports Development at BoJangles Coliseum/Ovens Auditorium	Future discussions (TBD)	Neighborhood & Business Services
Applied Innovation Corridor Strategy & Planning	Discussions (TBD)	Neighborhood & Business Services

V. NEXT DATE: Thursday, October 1, 2015 at 12:00pm, Room CH-14

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



www.charlotteworks.com
www.ncworks.gov

What does our workforce board do?

Our main charges:

- Coordinate and leverage workforce strategies with education and economic development stakeholders within our community
- Ensure that state and local workforce-development and job-training programs meet the needs of employers



North Carolina's workforce system



By law*, we must provide the following services:

- Develop and submit an annual regional plan
- Operate at least one NCWorks Career Center
- Serve *everyone* who visits a career center
- Spend no less than 35 percent of our Adult allocation on training in occupations-in-demand
- Provide Rapid Response services to employers experiencing lay-offs or closures
- Develop a strategy to serve employers to ensure the region has a skilled workforce
- Build the talent pipeline by focusing resources and tools on youth
- Collect, analyze and share labor market information
- Link workforce development, education and economic development

*the Workforce Innovation & Opportunity Act of 2014

Local focus



STRATEGIC PLAN

THINKERS • EMPLOYERS • EMPLOYEES

Mission
Charlotte Works is a workforce leader that creates community partnerships and provides policy guidance to advance an integrated, market-driven workforce and economic development system.

Vision
The Charlotte region is home to the nation's most skilled and work-ready workforce.

STRATEGIC PLAN	FY 2015 GOALS
<p>Economic Mobility To ensure that ALL individuals have access to tools and support services to help them identify and ensure they grow in their chosen pathways Career pathways in all high-growth sectors Have impactful demand-driven career guidance Work learn opportunities for all students and job-seekers with barriers</p>	<p>Economic Mobility Develop at least one truly integrated career pathway Begin assessments of all clients Pilot a new local incumbent worker program Launch Working Smart for youth pilot in CHS Identify financial literacy partner Hire new business services team members to focus on employer engagement to increase work-based learning</p>
<p>System Capacity-Building To build a seamless regional workforce system founded on common service standards and metrics and a shared database Work toward creating a single demand-driven regional workforce development system Shared client tracking database across all workforce partners Common client intake and assessment tools</p>	<p>System Capacity-Building Develop a framework and timeline for creating a regional workforce system Create a new fundraising position Develop and soft-launch a thought-leadership program Begin planning a robust social media program Develop/launch Phase I of a revamped website Implement Phase I of culture development plan Begin board of directors development</p>
<p>Labor Market Intelligence To become the trusted source of information on the Charlotte region's job opportunities and the skills necessary to obtain them Fully implement a regional sector employment strategy Regional competency-based skills mapping Creation of a regional workforce intelligence office</p>	<p>Labor Market Intelligence Use market data to update our regional Occupation in Demand list every six months Build a robust data analysis team Begin working with the new data unit to plan Phase I of the website, which would be a research-based tool Partner with Business Services team to implement plan to reach out to businesses to help Charlotte become a NC Work Ready community Develop and launch sector strategy</p>

Equal Opportunity Employer/Program - Auxiliary aids and services available to individuals with disabilities

Creating jobs



We're at the table for major economic development conversations when the company asks about workforce issues.

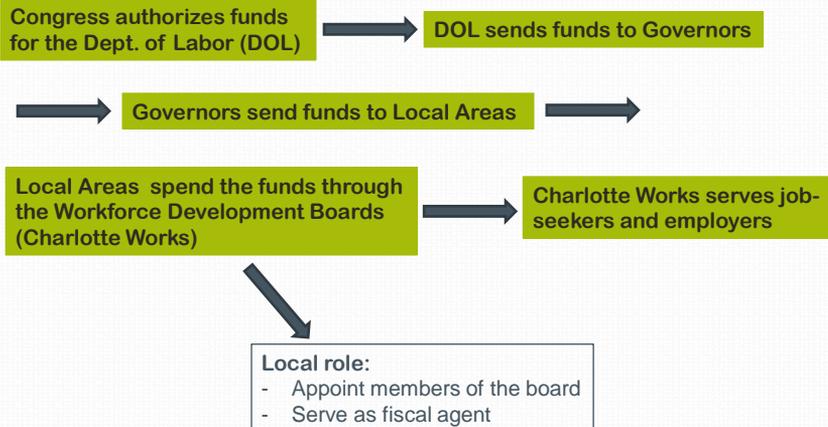
We offer a single point of contact for:

- labor market intelligence
- local talent
- robust partnerships with Charlotte-Mecklenburg Schools, Central Piedmont Community College
- customized recruiting tools
- assessment of hiring needs
- training grants

Charlotte Works is a key ally that we go to with virtually every recruitment project that our team is working. They bring tools to the table not found in most communities that we compete with, giving Charlotte an edge with regard to workforce recruitment.

Jeff Edge, senior vice president, economic development ♦ Charlotte Chamber

How the workforce system is funded



How much money do we have to do this work?



Program Year 2015 – 2016*: \$7.25 million

\$2.1 million Adult
 \$2.15 million Dislocated Worker
 \$2.28 million Youth
 \$0.72 million Administrative

Adult: receives TANF, SSI or Food Stamp assistance; or previous six-month household income meets federal poverty income guidelines; or homeless or reside in temporary/transitional housing

Dislocated Worker: permanently laid off by a Mecklenburg County employer/unlikely to return to previous employment; and Unemployment Insurance (UI)/has exhausted UI benefits in the last year; or received a notice of termination or lay-off; or company has closed/notified of plant closure within 180 days; or self-employed but is now unemployed because of general economic conditions/natural disaster

*July 1 – June 30

What impact did we have?

Program Year 2014 -- 2015



METRIC	IMPACT
Employers assisted	1,387
Unique individuals served	38,128
Individuals who received classroom or on-the-job (OJT) training	408
Adults who entered employment	76%
Youth served	577
Youth who received occupational skills training (OST)	102

What we need to ensure success



- Approve the updated consortia agreement
- Provide promotional support to raise career-opportunity awareness (Government TV, etc.)
- Advocate for employers to provide more work-based learning opportunities such as internships

Please visit us!

NCWorks
career center



NCWorks Career Center

1401 W. Morehead St.,
Suite 100
Charlotte, NC 28208
704.206.1350

M-T-Th-F: 8 a.m. – 4:30 p.m.
W: 8 a.m. – 8 p.m.

NCWorks Career Center

5601 Executive Center Dr.,
Suite 100
Charlotte, NC 28202
704.566.2870

M-F: 8 a.m. – 4:30 p.m.

NCWorks Career Center

7140 Forest Point Blvd.,
Suite A
Charlotte, NC 28217
704.565.6865

M- F: 8 a.m. – 4:30 p.m.

Locate SNAP sites: www.charlotteworks.com/Job-Seekers/About-Us/SNAP-Sites

www.ncworks.gov

Who we serve



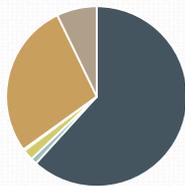
	African American	White	Other
Mecklenburg County	31%	55%	14%
Charlotte Works' total clients*	62%	27%	4%
Charlotte Works clients placed in training**	80%	11%	3%

* 7% "did not wish to answer" • ** 6% "did not wish to answer"

Who we serve

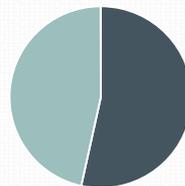


Race



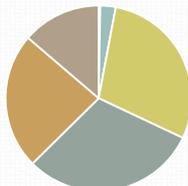
■ Afr-Amer ■ Amer Ind ■ Asian
■ Pac Island ■ White ■ DNA

Gender



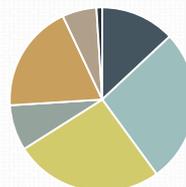
■ Female ■ Male ■ DNA

Age



■ Under 19 ■ 19 - 21 ■ 22 - 32 ■ 33 - 44
■ 45 - 54 ■ 55 - 64 ■ 65 & Over

Education



■ Less than HS ■ HS Diploma/GED ■ Some College/Voc Cert
■ Associate's ■ Bachelor's ■ Master's
■ Doctorate/Specialized

Mission

Charlotte Works is a workforce leader that creates community partnerships and provides policy guidance to advance an integrated, market-driven workforce and economic development system.

Vision

The Charlotte region is home to the nation's most skilled and work-ready workforce.

STRATEGIC PLAN

PY 2015 GOALS



Economic Mobility

To ensure that ALL individuals have access to tools and support services to help them identify and ensure they grow in their chosen pathways

Career pathways in all high-growth sectors

More impactful demand-driven career guidance

Work-Learn opportunities for all students and job-seekers with barriers

Economic Mobility

Develop at least one truly integrated career pathway

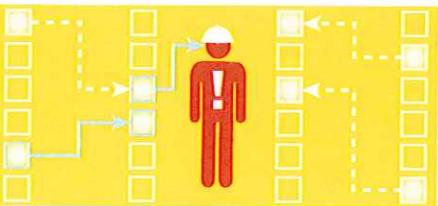
Begin assessments of all clients

Pilot a new local incumbent worker program

Launch Working Smart for youth pilot in CMS

Identify financial literacy partner

Hire new business services team members to focus on employer engagement to increase work-based learning



System Capacity-Building

To build a seamless regional workforce system founded on common service standards and metrics and a shared database

Work toward creating a single demand-driven regional workforce development system

Shared client-tracking database across all workforce partners

Common client-intake and assessment tools

System Capacity-Building

Develop a framework and timeline for creating a regional workforce system

Create a new fundraising position

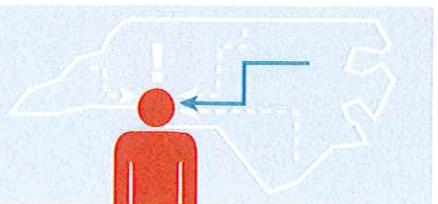
Develop and soft-launch a thought-leadership program

Begin planning a robust social media program

Develop/launch Phase I of a revamped website

Implement Phase II of culture development plan

Begin board of directors development



Labor Market Intelligence

To become the trusted source of information on the Charlotte-region's job opportunities and the skills necessary to obtain them

Fully implement a regional sector engagement strategy

Regional competency-based skills mapping

Creation of a regional workforce intelligence office

Labor Market Intelligence

Use market data to update our regional Occupation in Demand list every quarter

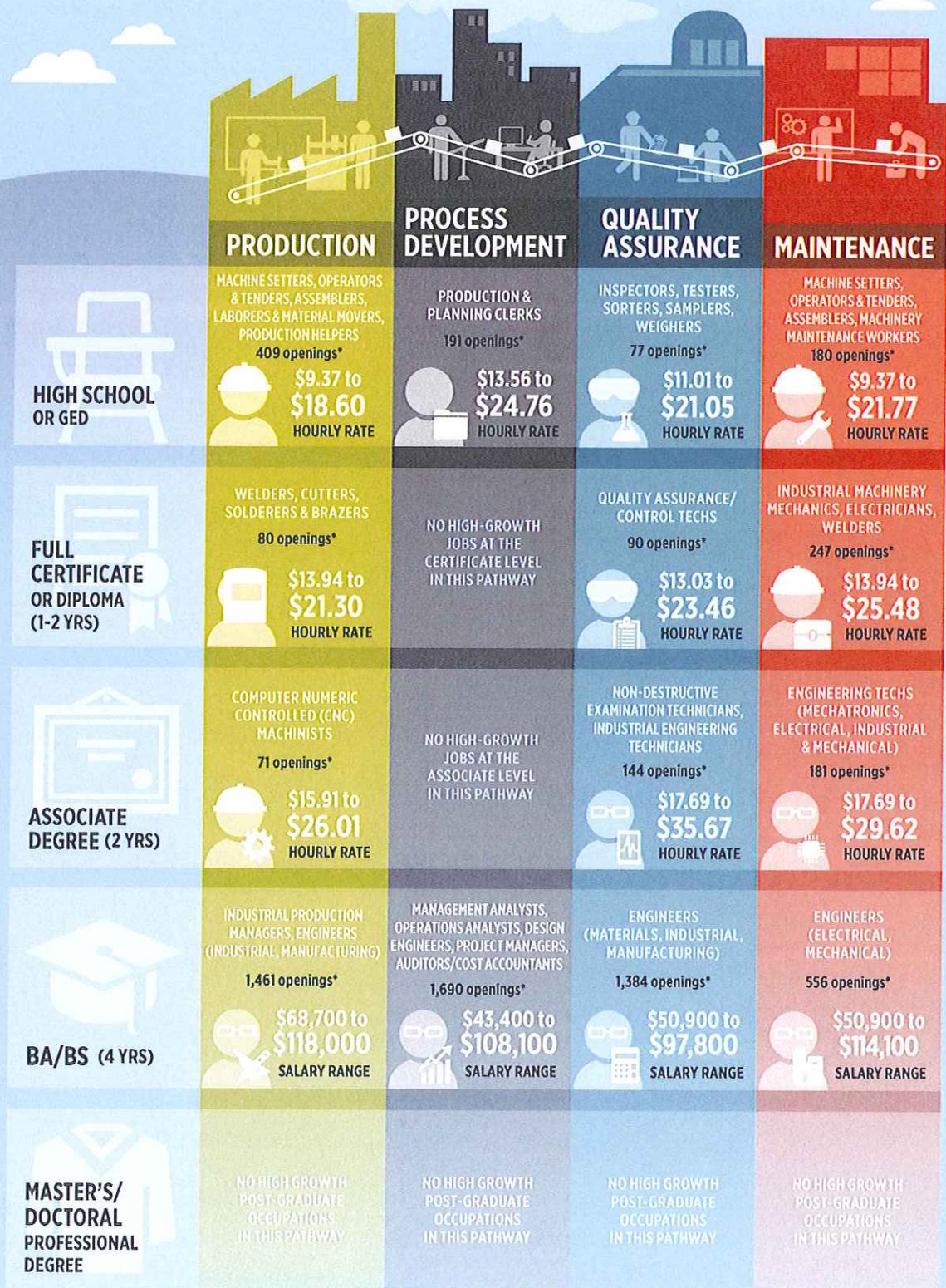
Build a robust data analysis team

Begin working with the new data unit to plan Phase II of the website, which would be a research-based tool

Partner with Business Services team to Implement plan to reach out to businesses to help Charlotte become a NC Work Ready community

Develop and launch sector strategy

ADVANCED MANUFACTURING CAREER PATHS



JobsEQ by Chmura Analytics; BLS Data through Q2 2015; Wanted Technologies
 *Openings are derived from Wanted Technologies for New Jobs Posted July 1, 2014 through June 30, 2015
 Wages are from 2014 Bureau of Labor Statistics



High-growth Entrepreneurship Strategy Update

Economic Development &
Global Competitiveness Committee

September 17, 2015



What We Have Learned

- Culture change
- Iterative process
- Time expectations
- Resources allocation
- Collaboration Level



Strategy History and Objectives

- Slow economic recovery predicted
- Unprecedented startup community efforts underway since 2010
 - Packard Place opened (2010), Queen City Forward launched (2010), Charlotte Entrepreneurial Alliance formed (2011), CLT Joules opened(2012)
 - Charlotte Venture Challenge received a record 117 entries and awarded \$100k in prize money (2012)
- Strategy adopted November 12, 2012, to attract
 - and keep high-growth companies
 - venture capital into Charlotte-based enterprises
 - federal research dollars to local universities



Strategy Components

- Communications Plan for Council
- City use of High-growth Potential Companies
- Charlotte Regional Fund for Entrepreneurs
- Facilities to Support Startups
- Charlotte as a Center of Research and Innovation



Communications Plan for Council

- Promote Charlotte's history and spirit of entrepreneurship and seek opportunities to raise the profile of the City on the topic statewide and nationally
 - Building relationships
 - Speaking engagements
 - Attending startup events
 - Meeting regularly with CEA



City Use of High-growth Potential Companies

- Capitalize on the expertise, products, and services of local high-growth potential enterprises in City operations
 - Collaborated with startup support organizations and created a two-part plan
 - Explored entrepreneur in residence
 - Explored products/services of innovative companies
 - Engaged Code for Charlotte Brigade for business wizard creation
 - Shared City solicitations with startup community



Charlotte Regional Fund for Entrepreneurs

- Partnered with Foundation for the Carolinas, Private Sector, and local institutions to establish the Charlotte Regional Fund for Entrepreneurship (CRFE) to develop local high-growth entrepreneurial organizations, events, and programs
 - Board and Advisory Council established
 - Charlotte Entrepreneurial Growth Report nearly complete
 - Inaugural reception planning underway
 - Fundraising plan written and initiated



Facilities to Support Startups

- As the need arises, help identify potential facilities that can support high-growth enterprises, including sites that align with other Council objectives such as the Business Corridor Strategy
 - Real Estate Services launched a page on Charlottenc.gov
 - Staff has leveraged connections with Service Area Teams
 - Economic Development will perform a study to assess space needs



Charlotte as a Center of Research and Innovation

- Partner with area colleges and universities, with particular focus on the Charlotte Research Institute at UNC-Charlotte, to accelerate Charlotte as a center of major research and innovation
 - Charlotte has limited federally-funded research occurring and is unlikely to see an increase in the short term
 - Efforts could be focused on current areas of momentum, such as, energy as affiliated with EPIC – Energy Production and Infrastructure Center, or an innovation initiative that leverages Charlotte’s cluster of corporate headquarters



A Look Ahead

- Efforts to use startups within the organization – ongoing
- Charlotte Entrepreneurial Growth Report publication – September, 2015
- Communications portfolio creation – November, 2015
- CRFE inaugural reception – November, 2015
- Peer city research completion – January, 2015



Questions?

High Growth Entrepreneurship Strategy

November 12, 2012



Background

In May 2011, City Council directed staff to begin work on a high growth entrepreneurship strategy for their review and consideration. Since that time, staff has worked with leaders in the community to understand and determine the appropriate role for the City, and to develop a strategy that helps grow the local economy through support of high growth enterprises.

The Kauffman Foundation defines high growth enterprises as those that *“despite their relatively small numbers, nonetheless account for a disproportionate share of job creation¹”*. In a 2010 analysis of high growth firms, Kauffman showed that generally speaking, *“the top-performing one percent of firms generates roughly 40 percent of new job creation. Many of these are fast-growing young firms, between the ages of three and five and comprising less than one percent of all companies, which generate roughly 10 percent of new jobs in any given year¹”*.

Historically, the City has focused on all small businesses, 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.

Policy Objectives

Economists project a long, slow economic recovery, and Charlotte’s unemployment rate continues to be above state and national averages. This requires a diverse approach to economic growth. The intended outcome of this policy is to strengthen Charlotte’s position as an ideal place to start and grow a business in order to:

- Attract and keep high growth enterprises and entrepreneurs in Charlotte,
- Attract more venture capital investment into Charlotte-based enterprises, and
- Increase the amount of federal research dollars to our local universities.

¹High Growth Firms and the Future of the American Economy, March 2010 – The Kauffman Foundation

Recent Activities

Over the past two years, there has been significant activity from our partners to help develop an environment conducive to growth, including:

- UNC-Charlotte's Ben Craig Center develops a strategic plan for Ventureprise, a new regional approach to entrepreneurship.
- Packard Place, a community center for high growth entrepreneurs opened.
- The Charlotte Entrepreneur Alliance (CEA) was created by local entrepreneurs to support, coordinate, represent and inspire high-growth enterprises in Charlotte.
- The CEA launched two sector specific incubators for start-up companies: CLT Joules Energy Incubator and a Financial Services Payment Incubator.
- 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 work program with a goal of gaining private sector support for local start-ups.
- The Charlotte Venture Challenge, the University's business plan competition, received triple the number of applicants and raised over \$100,000 in prize money.
- A proposal for the Charlotte Regional Foundation for Entrepreneurship (CRFE) was developed with a goal of developing Charlotte's entrepreneurial ecosystem.
- A proposal for a \$25 million statewide venture capital fund was created to raise funds to support high-growth enterprises.

Challenges & Opportunities

Despite the increased activity in support of high growth entrepreneurship, we have observed the following challenges and opportunities.

- Charlotte remains largely unknown for high growth entrepreneurship.
- There is a lack of understanding for high growth entrepreneurship as a driver of job growth.
- Charlotte start-ups would benefit from stronger connections to large corporations.
- There is limited start-up capital in North Carolina and the Charlotte region
- UNC-Charlotte is emerging as a major research university, but currently receives only a small fraction of the research dollars that come to the state.
- Charlotte has several organizations supporting high growth entrepreneurship, which struggle with funding.
- There is an opportunity to identify potential office space locations for high growth enterprises in the business corridors, and if opportunity arises, vacant city facilities.

Recommended Activities for the City

There are several appropriate ways the City of Charlotte can lead or assist our partners' collective efforts to grow the economy through support of high growth enterprises. These are outlined in the following pages.

Near-Term Activities (to be complete by end of FY13) -

1. Develop a communications plan for the Mayor and City Council that promotes Charlotte's history and spirit of entrepreneurship, and seeks opportunities to raise the profile of the City on the topic statewide and nationally. The plan may include activities such as:
 - Recognizing successful high growth entrepreneurs at Council meetings and on GOV Channel.
 - Work with City staff and others to identify and tell the stories of high growth entrepreneurs from Charlotte's recent and distant history.
 - Collaborate with economic development partners, such as the Charlotte Chamber, to send a clear and consistent message that start-ups are important to Charlotte's economy.
 - Supporting the attraction of angel/venture capital-related conferences and events to Charlotte.
 - Partner with Charlotte Entrepreneurs Alliance, economic development partners, Charlotte Regional Visitors Authority, and others to identify appropriate events to invite to Charlotte.
 - Attending and participating as hosts and/or speakers at local start-up events and awards or attending business openings and writing thank-you notes to job creators.
 - City staff will present to Council opportunities, as they arise, where they can show support through donation of time at upcoming events.
 - Advocating for the development and adoption of tax and regulatory changes identified by the high growth entrepreneurial community that foster high growth enterprises.
 - Partner with the Charlotte Entrepreneur Alliance to maintain dialogue with Charlotte's high growth entrepreneurial community regarding challenges and opportunities current tax code and other regulations present.
 - Work with the City's lobbyist to prioritize the tax and regulatory needs of high growth enterprises and potentially align efforts with those of partners such as the Charlotte Chamber.
 - State and federal tax and regulatory changes identified by the high growth entrepreneurial community may include:
 - Improved immigration policies allowing foreign citizens who have the means to start a business in the U.S.
 - Extended student loan deferment
 - Making research and development tax credits more permanent to remove the need to re-authorize repeatedly
 - Creating simple, fast, and flexible, processes and paperwork
 - Streamlining navigation of government requirements
 - Making it easier to license and use technology
 - Simplifying and accelerating the process of securing patent rights
 - Streamlining exporting processes
 - Local tax and regulatory changes identified by the high growth entrepreneurial community may include:
 - Creating simple, fast, and flexible, processes and paperwork
 - Streamlining navigation of government requirements

2. Capitalize on the expertise, products and services of local high growth-potential enterprises in City operations through a plan that includes activities such as:
 - Encouraging City departments, where feasible, to seek solutions from local start-ups with innovative products and services.
 - Identify training for City staff, especially procurement departments, on entrepreneur principles - such as innovation, creativity, sustainability, and experimentation - in order to increase understanding of these companies' abilities to create innovative solutions.
 - Explore the costs and benefits of an entrepreneur in residence program to spur innovation, responsiveness, and a proactive approach to problem solving in public service.
 - Working with local start-ups to understand the technical products, services and expertise available locally that can be made available to City staff.
 - Leverage the relationship with Charlotte Entrepreneur Alliance to explore co-sponsoring start-up meet and greets and vendor fairs tailored to public service needs and challenges.
 - Work with partners to create a draft catalog/matrix of typical products or services high growth entrepreneurs provide such as technology, energy, or financing solutions.
 - Making it easier for local start-ups to find Requests for Proposals or other areas of opportunity to do business with the City.
 - Post solicitations/opportunities on *CharlotteBusinessResources.com*.
 - Perform targeted outreach to the start-up community when relevant opportunities to do business with the City arise.

3. Partner with the Foundation for the Carolinas (FFTC), the private sector, and local institutions to establish the Charlotte Regional Foundation for Entrepreneurship (CRFE) to develop local high growth entrepreneurial organizations, events, and programs.
 - On September 24, 2012, the City received a request from Paul Solitario, organizer of the CRFE, to contribute \$500,000 in the form of a "community challenge" grant to the FFTC to establish the CRFE. The request was accompanied by a letter of support from the Charlotte Entrepreneur Alliance. The proposal is for the City's contribution to be matched by private or institutional funds.
 - The CRFE's objective is to provide grant funding to qualified non-profit organizations and initiatives that support high growth entrepreneurship and enhance the high growth entrepreneurial ecosystem in the Charlotte Region.
 - CRFE grants will be used to address community issues, such as business incubation and acceleration, startup and business plan competitions, research and technology commercialization, and venture capital/angel network formation.
 - CRFE grants may also be used to fund research that informs and educates the public about the benefits of high growth enterprises, such as economic impact studies and business surveys, or to sponsor panels and conferences for business leaders, economic experts, public officials and other constituencies concerned with economic development.
 - CRFE Grants will not be used as equity or seed capital investments.

- CRFE grants will be distributed by the FFTC, based upon the approval of a CRFE Advisory Council.
- The members of the CRFE Advisory Council will be appointed by FFTC and will include up to eleven (11) members, consisting of:
 - Two representatives of the City of Charlotte, with one member representing the City Council (appointed by the Mayor), and one member representing Neighborhood & Business Services (appointed by the City Manager).
 - Four representatives from major donors.
 - Four representatives of the entrepreneurial community.
 - One economic developer from the Region.
- Organizations represented on the CRFE Advisory Council are not eligible for grant funding.
- A Technical Review Panel, consisting of local entrepreneurs and representatives of entrepreneurial support agencies, will review grant applications and provide recommendations to the CRFE Advisory Council.
- Grant applications will be evaluated on the extent to which they contribute to the following outcome goals of the CRFE:
 - Increased number of high growth enterprises in the Charlotte Region;
 - Improved pathways to capital and an increased investment in startups;
 - Increased recognition of the Charlotte Region as having a thriving and dynamic entrepreneurial ecosystem and culture;
 - Private corporations engaged with and supportive of the Region's startups.
- If Council approves the funding request, staff recommends that the City's grant be paid in minimum increments of \$100,000 (up to a maximum of \$500,000), upon notice from FFTC that matching funds have been secured.
- In addition, FFTC has agreed to fund 50% of the cost for a community strategy that prioritizes community needs and assists with private fundraising efforts. Staff proposes using a portion of the City's challenge grant to fund the other 50%, up to a maximum of \$20,000.
- The recommended source of funds is the Business Corridor Fund, which has a current balance of \$16.5 million.

Longer-term activities (to be further developed and considered within 1 – 2 years):

4. Partner with area colleges and universities, with a particular focus on the Charlotte Research Institute at UNC-Charlotte, to **accelerate Charlotte as a center of major research and innovation**.
5. As the need arises, **help identify potential facilities** that can support high growth enterprises, including sites that align with other Council policies such as the Business Corridor Strategy.

Proposed Communications Portfolio for Council

9.17.2015

Goal

The goal of the communications portfolio is to prepare Council to share Charlotte's history and spirit of entrepreneurship and raise the profile of the City on the topic locally, statewide, and nationally.

Components

- Facilitate invitations to, and opportunities to speak at, startup community events
- Council-Manager Memo notifications of startup community news and events
- Build relationships in startup community through regular meetings
- Talking points
- Slide deck
- Pocket card
- Video featuring Charlotte as an ideal place for startups
- Hashtag for social media (#CLT4ent)
- Business stories and testimonials
- Training on the above tools as needed

Proposed Communications Portfolio for Council

9.17.2015

Sample Talking Points

- **High Quality of Life and Relatively Low Cost of Living**
Charlotte provides a great place to live, work, and play, through considerable housing options, lower living expenses, quality healthcare facilities, mild climate, and a variety of community and professional sports team events.
- **Major International Airport**
Charlotte/Douglas International Airport is the 24th busiest airport in the world by passenger traffic. Charlotte Douglas received the prestigious Eagle Award in 2010 from the International Air Transport Association (IATA) for “Best Airport.” It is considered the most distinguished of awards in the aviation industry. CLT was recognized for its quality service and economical value to airline customers.
- **Rich Entrepreneurial History**
Many well-known businesses’ roots are in the Charlotte region. They include older businesses such as Belk, Bojangles, Harris Teeter, Lance, Charlotte Pipe and Foundry, and now, newer businesses such as Peak10, AvidXchange, InfoSense, and NoDa Brewing Company.
- **Engaged Elected Officials – Charlotte’s City Council adopted a High-growth Entrepreneur Strategy** outlining ways the City could best support the region’s high-growth ecosystem. As part of the strategy, Council committed \$500,000 to, and called for the establishment of, the Charlotte Regional Fund for Entrepreneurs.
- **Charlotte Regional Fund for Entrepreneurs (CRFE)**
The CRFE is a partnership between the private sector and local institutions. It was established to develop local high-growth entrepreneurial organizations, events, and programs.
- **Charlotte Entrepreneurial Growth Report (CEGR)**
Commissioned by the Charlotte Regional Fund for Entrepreneurs, the CEGR measures the health of the Charlotte region’s high-growth ecosystem and establishes a benchmark for Charlotte to measure itself against peer cities.

Proposed Communications Portfolio for Council

9.17.2015

- Engaged Local Government Workforce – Forums designed to foster creativity and innovation are hosted regularly for employees and the Code for Charlotte Brigade continues to partner with the City to foster improved government service by engaging citizens.
- Longstanding Small Business Support
The City of Charlotte has historically supported small businesses through programs such as its Charlotte Business INclusion Program, CharlotteBusinessResources.com website, and its small business loan portfolio.
- Abundant Technology Talent
Due to the presence of major financial institutions and Fortune 500 headquarters Charlotte has an abundance of technology talent.
- Growing Colleges/Universities
The Charlotte Research Institute <http://cri.uncc.edu/> at Portal represents a public-private partnership between UNC-Charlotte and corporations that allows for collaboration in technology and research.
- Growing Number of Success Stories
Examples include Peak10, AvidXchange, NoDa Brewing Company, and SmartSky Networks.
- Momentum in Key Sectors
We have momentum in areas of potentially global impact such as, Informatics, Technology, Healthcare, and Energy.