COMMITTEE AGENDA TOPICS

I. Subject: Carolina Theatre
Action: The Committee will hear presentations from the ARK Group, CMP Carolina Theatre LLC, and Foundation for the Carolinas, and if ready, make a recommendation on the sale and redevelopment of the theater site for Council consideration at their December 17th Zoning Meeting.

II. Subject: ReVenture Update
Action: CMU will update the Committee on the status of agreements that will form the foundation for regional wastewater treatment for the Long Creek basin in Mecklenburg County, Mount Holly, and Belmont as well as the purchase of land from ReVenture. There has been recent progress on these agreements, and CMU anticipates a second presentation to the Committee in January with a request for the Committee to recommend approval of these agreements to Council. No action required.

I. Subject: Discuss ED Committee Schedule for 2013

COMMITTEE INFORMATION

Present: James Mitchell, Patrick Cannon, Warren Cooksey, David Howard and LaWana Mayfield
Time: 1:30p.m. – 4:00 p.m.

ATTACHMENTS

1. Carolina Theatre Proposals:
   ARK Group
   CMP Carolina Theatre, LLC
   Foundations for the Carolinas
2. Long Creek Regional Wastewater Treatment Plant Presentation
3. ED Committee 2013 Meeting Schedule

DISCUSSION HIGHLIGHTS

Chairman Mitchell called the meeting to order and asked everyone to introduce themselves. We have three items on our agenda today and I will turn it over to Mr. Kimble and let him recognize the staff.

Kimble: Thank you all for being here today. I know that we had a Transportation Committee before this one and we have a Governmental Affairs Committee after this, starting at 3:00p.m. so you are squeezed in between. We do have 75 minutes set aside for the Carolina Theatre. It is back to you at your direction and Council indicated this past Monday night that this be the time for all three of the companies who have put forth proposals for the Carolina Theatre to come forward. We thought that in conversation with the Chairman that this would be the process that we would use. We will draw in

random from a bowl here; all three names are in that bowl. They will be drawn one at a time at the beginning. They will know the order in which they will present. Each proposer will have ten minutes to come up and give their best and final. Those were received by noon this last Friday. They can orally present to you. Each one will have ten minutes then you as a Committee will have five minutes to ask questions of each proposer, then number two will come up and do the same and number three will come up and do the same. You have three, and then at the end of that, the Committee will have around 30 minutes where you can ask questions of any one of the three proposers and then debate the issue and discuss it. The goal today is to make a recommendation to the Charlotte City Council that will go to them for a vote on December 17th. We've been informed that your vote on the 17th would be a vote based on a recommendation today by Council, but it would be an indication by the Council as to which firm the Council would go with. There is an advertising requirement so it would have to come back one more time to the Charlotte City Council after advertised in order to consummate the transaction with the voted proposer by the Charlotte City Council. It is today then December 17th, then negotiate the final agreement and bring that final agreement back to Council. That's the process that you have mapped out and the process we suggest you follow today.

The numbers were drawn from the bowl and Mr. Kimble announced that the first proposer to present would be the ARK Group followed by the Foundation for the Carolinas and then CMP Carolina Theatre, LLC.

Kimble: We will have Brad Richardson keep the time and each proposer will have ten minutes. The ARK Group is on first.

Mitchell: Before we get started, I will give you a warning when you have one minute left so everyone can finish up in ten minutes.

Rick Lazes, ARK Group:
Good afternoon Chairman Mitchell, Mayor Pro Tem and Committee Members. I would like to thank you first of all for giving the ARK Group the opportunity to make this presentation today. I have to compliment your staff for putting together a very even handed process. The financial issue that differentiates our proposal from the offers by the other two candidates is very clear, but we have offered $500,000 for additional payment and will also put the Carolina Theatre immediately back onto the revenue rolls for the City. The Foundation for the Carolinas by contrast has offered $1 and to maintain the non-profit status. As you look going forward over the next 20 years, I think we can anticipate that just the tax going to the City would be approximately $3 million in addition to the ½ million dollars that we are investing initially in the project.

The other thing that really differentiates us from the other businesses here is that we are prepared to immediately begin the process for renovation of the theatre and have the resources in hand to do that. We don't have to go out and raise money or borrow money. We've already done this process. We've put together an architecture group; a team that will help us do the renovations of the theatre properly. It will be headed up by Intel Architects, a company that John Shirley heads up. He has a great history of historic renovations and in fact he served as the Committee Chair for the Charlotte Historic Landmarks Commission. He will help to make sure that we stay on target in terms of the process. Also, we are being very specific today in terms of our commitment, it is absolute, we are funded with internally and we will guarantee that within 18 months will start the construction. We will

start the day after we are awarded the contract with the planning process and the funding and start construction within no more than 18 months. We intend to have the theatre fully renovated by January of 2015. Our contract with either of the other bidders have proposed a time schedule to complete the renovation nor have any of them raised the necessary funds to complete the renovation or the necessary funds to operate the theatre going forward. We can guarantee today that we will never come back to the City for financial support and will continue this into the future.

We differ with the other bidders in terms of the amount of renovation possible. There has been a lot of talk about dilapidated old building and structure problems. We differ with that. We think that the building is actually structurally sound and we will maintain the key elements of historic significance and I will walk you through that a little bit. If you look at some of the elements of the theatre right now, you will see that although there is a lot of wear and tear on the theatre, the key elements are pretty much in place. Even if you look down at some of the details like the railings and the columns, they don't need to be replaced with any kind of modern pictures; it just needs to be restored back to the original condition. If you look at going up stairs to the balcony, this is what it looks like today and this is what it will look like when we are done and we will guarantee that we will restore it to this level. If you want you can attach these renderings to the architectural renderings and theatrical renderings to the contract. We will restore the theatre and obtain a letter of appropriateness from the Historic Landmarks Commission once it is done, guaranteeing that we will restore the critical elements of the theatre and they will be restored and not replaced and the original floor plan will remain intact.

While we do share a similar vision with the Foundation for the programs in the theatre, again we have begun that process. It is not something that we're fantasizing about in the future or that we are worried about how it is going to play out, but we are going to make sure that we have a significant amount of quality, civic, cultural and non-profit events held in the theatre every year. In fact, we are going to guarantee that a minimum of 100 civic, cultural and non-profit events will be held in the theatre each year and they will charge only a nominal rental fee even to the Red Cross for theatre operations for that particular event. You notice in your booklet that we have included some sample calendars to give you an idea in specific details what those events are and how they will evolve in our plan of operations going forward for the theatre. They include everything from cultural events, civic, non-profit events, musical events, theatre, dance, poetry, jazz music and the like. In order to achieve this goal and to provide the broader section of the community access to the theatre, we are going to set up a very transparent inclusive process that will result in diversity from throughout the community. We intend on entering an agreement with Legacy Partners to serve as our community outreach coordinators in order to administer this process. They have a lot of experience in terms of working with civic-based programs and they will do that for us in the theatre. We anticipate that group will be our in house staff and they will be overseen by a broad selection of community educators, businessmen, women and artists entertainers and community leaders on our advisory board. I will guarantee that we that we are 100% committed to this project and rest assured that if the City awards us the contract, the theatre will be restored in a timely fashion and put back in service.

I would like to introduce to you Pamela Lue-Hing who will make a few comments as she represents our civic initiatives and Legacy Partners.

Pamela Lue-Hing, Legacy Partners:
As SBE certified small business owners and consultants in the City of Charlotte, Quanda, my business partner over there and I have worked with small businesses and organizations. When approached by the ARK Group, we realized this was a special project that aligns with our company's focus, which is to advance people, businesses and communities. We have joined this movement with the ARK Group to integrate civic engagement and keep our hands on the post of the Queen City. As you well kno, civic engagement is the foremost mechanism to produce social capital so we are excited about the opportunity to partner with the ARK Group to create one of the most diverse local and robust 21st century civic engagement initiatives Charlotte has ever seen. We want to take the momentum created by the DNC and couple that with Charlotte's platform that has already been created to make our City a world class community. In reference to the Carolina Theatre project, Councilmember Howard, you were quoted in *The Charlotte Observer* as saying, "we are giving somebody a jewel, you want to make sure you give it to the right person." This was followed by a quote from Councilmember Mitchell and you added, "somebody who will get it right, this building is a history lesson and we need to pass it on". Based on our review and countless meetings with Rick and Noah, we found the ARK Group to be the company best suited to pass it on to and to deliver what you are asking, to bring this historic property back to life, to generate revenue for the City of Charlotte and most importantly, position the Carolina Theatre as a pillar for civic engagement, a venue that will become the go to venue of choice. Quanda and I have attended several Economic Development Committee meetings and we have seen each of you supporting a platform of events in this community so we know firsthand your commitment to civic engagement and serving the underserved population and minorities. Rick spoke about our advisory board and the invitation to join the advisory board will not be based on how rich or how powerful a person is, but what they can give back to the community. It will consist of a cross section of citizens from the community who have diverse backgrounds. They will arbitrate the projects and initiatives while stimulating unique programs, leveraging their network in the community and serve as mentors to many of the projects. We already have several individuals who have agreed to serve on our advisory board. A consistent thing with each of these individuals is their core values to make a difference in the lives of people around them and not selfish motives to grow their own bank accounts. Take Ken Harris for instance. Ken is a local litigator and entertainment attorney who represents some of the biggest entertainers and athletes in the country such as Magic Johnson. Then we have Dennis LaCaria who's here today from the Board of Education. He's agreed to also sit on the board. We have Pop Sadler from the Greenville community. Our civic engagement program will represent every community and develop a framework that addresses every issue ranging from education, workforce development, green economy and the likes. It will be a venue where schools like the Northwest Institute of the Arts can hold their winter and spring performances. We also have Jeff Mann and Manoj Govindan from Bank of America. In talking with several individuals about Rick and Noah, quite simply, Quanda and I found they are great leaders and they will do what they say they are going to do. Their backgrounds, skill sets, passion for the arts and core values align with the mission of the Economic Development Committee. Legacy Partners is poised and positioned to partner with the ARK Group to create a sustainable civic engagement that can be replicated throughout North Carolina, the United States and throughout the world.

Mitchell: Thank you so much ARK Group. Rick and Pamela, thank you for that presentation. Committee Members, we have five minutes for Q&A.

Cannon: Are we on the clock for this too?

Mitchell: Yes, five minutes for Q&A.

Kinsey: As I have been looking at the pictures and I realize that these are just architectural drawings, but they don't follow very closely in my opinion of some of what is left so I would hope that maybe that would be explained. I realize the architect had to do it rather quickly.

N. Lazes: The idea, of course, is to restore as closely as we possibly can to its original look and feel. We will certainly look at and review all photographs. CTPS, John Apple and Charlie Clayton have a lot of great pictures of the theatre and there are more out there. Certainly as we go forward in the actual design, the goal there is to show you and try to mural what's in the space. A lot of the beauty is there, the original railing, the original opera boxes are sitting across the top of the stage. A lot of that can be restored to its original architect.

R. Lazes: Also, I want to point out that we have been working for almost ten years with the Carolina Theatre Preservation Society on this project. We were originally selected by the City to be the operators for the theatre and have a contract with City in that regard. We intend to continue our relationship with the Carolina Theatre Preservation Society to make sure that we envision their goals.

Cannon: Thank you for bringing these pictures largely in part because this is by far much better than what we saw with that example in Detroit, which I thought was way too contemporary. You are not going to get anything restored at 100% the way it started out. When it started out that way, it was probably in much better shape than what we see today, but I've got a few questions relative to the civic components. Would you also be agreeable to, at least for as long as it would be in operation by you if you are awarded this, to keep that component plugged in and to put that in writing?

N. Lazes: Absolutely.

Cannon: I think I heard you say that you would guarantee the design components also to be placed in a contract where you would be okay with that in a motion if that came from this body. Is that correct?

N. Lazes: 100%.

Cannon: This guarantee of January 2015 to open, do you see anything that would prevent that from happening along the way as it talks about forecast because obviously given your regular construction issues that may come about here and there, would there be anything to keep that from happening?

N. Lazes: We will guarantee to commence construction within 18 and I don't see any reason why we can't finish in early 2015, so the goal would be to guarantee in writing that permit is obtained and construction is commenced in 18 months and is finished as expeditiously after that as possible.

Cannon: You will not come back to the City to ask for any additional capital whatsoever? And you are fine with that in the motion should we make that? This $3 million investment, would you breakdown how this investment you are talking about making in terms of the $3 million? What does that look like?

R: Lazes: This is the benefit of being on the tax rolls projected over the next 20 years between the City and the County.

Cooksey: The key issues for me and has always been, once this is done, is the City completely out of the ownership of the Carolina Theatre business and how quickly will things come to pass? You have answered both of those and I appreciate that. More specifically, how much money do you have ready? You said you've got your funding lined up, don't need to ask us for anything, you've got $500,000 you can put into this for the City. What do you have lined up already to build the building you are proposing?

R. Lazes: We don't have a line item budget but we will be happy to provide financial statements to show you that we're more than capable of liquid assets to support construction costs.

Cooksey: What do you estimate those costs are going to be?

R. Lazes: I think it's hard for us to estimate the exact cost, but we can show you based on the highest projections which we've heard numbers quoted in the $8 million to $10 million range that we're capable of funding that.

Cooksey: So you are not going to come back to the City, and you don't anticipate much problem? What kind of Plan B are you thinking about if things don't quite go the way you are planning them and you are not going to come back to us? What would happen to the property if something unfortunate happens?

R. Lazes: That's not really an option. We just completed a historic renovation and a project that was five times this size. We never came to the City or County for money on the project. We went through the most difficult economic climate during that period and we never stopped. We are not going to stop with this one. Once we commit to a project, we complete it. That has been our track record for 30 years.

Cooksey: I appreciate your track record and your track record is commendable. I'm just trying to figure out, we are talking about a contractual obligation to get something done and not come back to us, what is the consequence of breach? You always have to ask that question.

N. Lazes: I think the consequence of a breach would be a reclaim by the City of the property.

Cooksey: Would you attempt to sell it to somebody else to avoid that?

N. Lazes: I don't think we will have the option to do that. The contract is going to be specific.

Mitchell: Thank you Rick and Noah. Next is the presentation from the Foundation for the Carolinas.

Michael Marsicano, Foundation for the Carolinas:
Chairman Mitchell and members of the City Council, good afternoon and thank you for your time and attention. We are excited about the opportunity to bring the Carolina Theatre to life in a unique and

extraordinary way. Our story actually begins with the picture on the screen. The property adjacent to the theatre, a historic building that we brought back to life through the Foundation's work. Its renovation has been hugely successful and our vision begins there, but is not limited to that. Our vision is even not limited to the site we are talking about, or the center we have created. The theatre is a significant element of our vision, but what we are really about is a two to three block revitalization of the Center City. Though our northern wall of our building is the vacant lot and the theatre, now a park. With a renovated theatre and a mid-size office building built in front of it, integrated with the center philanthropy, we have an incredible opportunity to catapult that into leveraging the block next door. The Library and Spirit Square have long been under review as to revitalize that block, we do that, we add Discovery Place partnerships to that and 600,000 visitors and suddenly we have unique civic campus that is every bit as extraordinary as the cultural campus anchor on the other side of Tryon Street.

Our specific proposal is this: We request that you place the Foundation in a leadership role, grant us the opportunity to bring the theatre back to life, to combine the theatre with a mid-size office tower. The theatre will be restored with philanthropic capital insuring that the civic purpose remains steadfast. This is an important point. Our purpose is not dictated by profit motive, the theatre and non-profits ensures a balanced forever and the Foundation will select the best operator among the options. We could ask Noah and Rick to operate it. They have a great track record. We could also ask Tom Garvin at the Performing Arts Center. He too has a great track record. He operates Spirit Square to one side and the Performing Arts Center to the other. The synergy there is significant. However the ownership by the Foundation ensures the operator will maintain that civic balance. We have plenty of downtown theatres devoted to the arts and entertainment. The new Carolina Theatre and our vision is split in between the two. Civics during the week, jazz, film and other arts on the weekends. Here is an artist's rendering of our vision of the grandeur of that elegance in the 1920's that was just created two weeks ago by an artist and we want to return it to that beauty.

The front of the theatre will be a specialty office tower. With the selection of the Foundation, not only do you get a vetting process for the best theatre operator, you get that for the developer. We might select the ARK Group or Jim Donnelly's' team or we might select another developer. Lots of developers have called us but we're going to select the one that gives the most advantageous outcome to the project. We're Switzerland on this item so we can choose the best option. However you slice it, the tower property gets back on the tax rolls and we are happy to place that in contract with the City. With our non-profit and for profit connections, the Foundation has the best opportunity to bring tenants to the office tower who see the theatre as an advantage to them. Any developer will build you a tower if you've got the tenants. You will note in a letter from many of our partners, including Bob Morgan from the Chamber, expressing interest in our first conversations which began last May.

Note that the theater does not have a lobby on the orchestra level so that lobby has got to be inside the office tower. We propose also having it shared with retail or food to add to the animation. Let's talk about the office design. Before you is one option, an important principal. Note the historic office looks to the tower. This reflects our commitment to historic treatment. This is the corner of North Tryon and 6th Street. To the right, you see the Center for Philanthropy, center right you see the original façade of the Carolina Theatre which is still in existence in storage. We have proposed designing the entire office tower over this architectural feature and that shows our commitment to

preservation. We have the entire design all around it, enabling the historic theatre façade to prevail. Also note the floor levels connected to the Center for Philanthropy allowing back and forth flow between the tenants of the office tower and our conference rooms and board rooms. We can even break through from our gallery right into the orchestra theatre so people can enjoy the gallery during intermission.

The Foundation agrees wholeheartedly with the standards that you have set for the theatre on its restoration, but we intend to do better. It's our plan that when you walk into that theatre, you will be transported back to the 20's. Even as this space is modernized for code and comfort. But once you transfer a title, a promise is only that. Not only will we place the standard in contract, we invite you to have us keep our word and accordingly we are going to propose that you name a member of the City Council to join our design team. They can watch us in action, along with a representative from the Carolina Theatre Preservation Society. They've worked hard over the years. We want them involved. We also agree to hire a historic theatre consultant for professional advice for the best results. In terms of the question of $500,000, it's very simple. We believe any $500,000 that goes to the City is $500,000 that isn't in the renovation of the theatre. We believe you want the best quality product for the theatre and therefore all dollars should go there.

Why is the Foundation your best partner? We've been around a long time. We're endowed, we will be here forever. Businesses come and go, some remain profitable, some go out of business, some relocate. The Foundation is here forever with assets just shy of $1 billion. We've got a highly qualified professional team. We can raise money like no one in town. Gifts to date to the Foundation this year alone are $200 million and we've granted out over $115 million across the community. Our permanent headquarters are right through that theatre wall. What about our track record? We just selected a few. We bring vision to big and small projects, whatever the size; great ideas come to life through the Foundation. The Center for Philanthropy, we raised $12 million and turned 60% of that space over to the public. Community groups have it free of charge and the quality of renovation, two awards in 2012, one for historic preservation, the other for excellence in construction.

What about our track record with the public? In one month alone, 450 meetings and events are happening in this building. Here's a picture of folks enjoying the space and just dream of us. In just three months, break through that wall where that large piece is and you are right into the theatre, we can combine the two. Imagine what might be possible. At a recent meeting, two City Councilmembers were in our building with 17 neighborhood associations on a Saturday. They all used the building, but when it was done, they couldn't come with all their neighborhoods to a space to hear a great thinker on neighborhood revitalization. They can meet there and go right into the theatre.

I said large and small, but really good ideas come to light with us even if they are small. Here's an overnight success story. A vacant lot we saw a park in partnership with the City 45 days, we invested in, done. We just had a lunch with construction workers at the Foundation because they never get recognized and we wanted to thank them for this. The cultural campus – it was the Foundation that pitched Wachovia, the City and donors. We brokered the gift of all the art work of the Bechtler to the City. We spearheaded the fundraising and raised $56 million of the $83 million in private dollars and we gave a million dollar gift that led to the naming of the Afro-American Cultural Center in honor of Harvey Gantt. Most of our track records are not about buildings, they are mostly about service. Take Project L.I.F.T. for an example, we saw low performing schools on the west side of Charlotte,

something needed to be done for our kids. We came up with a plan to raise $55 million to raise West Charlotte's graduation rates from 54% to 90%. We do this by bringing partners together. My colleague Laura Smith and I have been doing this a long time back when we were together at ASC. Here was this historic abandoned church, we partnered with Bank of America to renovate it. Laura was the project manager, she developed a business plan and we raised $7 million to endow it. It is now a thriving visual arts center. Before that, Laura was the project manager on the Bechtler Museum. She developed a business plan and Laura is now on our team at the Foundation. She is an extraordinary professional. The Foundation is all about partnerships, civic engagement and collective wisdom. Our newest position enables us to convene all the sectors together with a reputation for non-profit and for profit sectors are stellar. We guarantee the best possible opportunity.

As the lead, Laura and I have 23 years of working with government. We move quickly. We can move quickly on this project. Our Board Finance Committee has already set aside seed dollars for 2013, our campus partners are eager to get started. We are going to line up the tenants, we've got three to five years to get it done and that is the tower and the theatre. If selected, we move quickly to contract. We guarantee no dollars coming back to the City. We guarantee the tower be place on the tax roll. We guarantee a City Council appointee on the design team. We guarantee the historic preservation standard and we maintain the maintenance of the park from now on. If you select the Foundation, you get the bigger vision the clear approach, the partner who can pull off the larger multi-block complex with the best interest of the City is at the forefront. We don't have the profit motive, but we run things like a business. In closing, we've served the City well, we are your agent to get the best job done, bringing everybody together. Our resources go much further than financial, we bring the best minds to the table to leverage the best property results and we raise significant amount of dollars and we keep the public/private partnership alive.

Mitchell: Thank you Michael. Are there any Q&A from the Committee Members?

Kinsey: Michael, I want to make sure I heard you correctly. You said you would restore it to historic preservation standards.

Marsicano: The standard that you set as a minimum we agree to, but we would like to go a step higher.

Kinsey: Higher? I wanted to make sure I heard that.

Marsicano: Yes.

Kinsey: Ok thanks. I just wanted to hear it again.

Howard: I heard a little bit about the way historic tax credits work while I was at a conference. Any thought on using historic tax credits at all?

Marsicano: For the theatre? Historic tax credits for the theatre property is going to be in the non-profit hands and don't really effect that portion of the project. There is some doubt, given the condition of the theatre at the State level that we could even get tax credits. We've looked into that and have been told they may not be available.

Cannon: Define higher. What do you mean when you say take it to the next step higher over what the standard was that Councilwoman Kinsey was talking about relative to the restoration?

Marsicano: By bringing a professional historic theatre restorer involved. We know that if we don't bring somebody in that's going to do a minimum amount of the job. We do not know the cost differential between what would be minimum and what you had asked for and going a step higher, but it is our intension to go a step higher. We are not going to go to a pure preservation. There was one estimate of that pure preservation years ago and it was something on the order of $25 plus million dollars. That's not what we're talking about, but we are talking about going above the minimum standard to determine and that relates to how much we can raise above the minimum standard.

Cannon: That is exactly where I was going to end up going because it would all come down to that piece of it and how that is raising the capital and over what period of time do you think it would take you to raise that capital?

Marsicano: Our commitment on the tower and the theatre is to have it all done within three to five years. I would start the fundraising immediately, the day that you give us the go ahead, should you decide to select us and I think our fundraising track record is pretty good.

Kinsey: Having worked with architects, I know they can draw beautiful pictures and that is a beautiful picture, but is that close to the intent you are talking about?

Marsicano: That is the intent we're talking about, but keep us to our word and put a City Councilmember on our the design team, put Historic Preservation Society on the design team, along with professionals on the design team and watch us do it.

Fallon: What type of retail do you envision being there?

Marsicano: We're not sure yet Councilwoman. We don't know if the dimensions that are going to be required for the theater lobby. There is no theatre lobby to the orchestra level. When you get past the part that exists now, you open those doors and you are actually in the orchestra seats. The lobby has got to come in at the office tower and we are not sure yet on what code would require for the size of that. We're hoping that we would be able to be retail and restaurant, collaborating with the theatre lobby itself. By breaking into the gallery of the Foundation, we actually may be able to have a lobby on both sides to help us on the code, but we're studying that.

Fallon: Thank you.

Cooksey: Being consistent with my questions, you've answered the timeframe but I just wanted to put the same term. Our group set up and running January 2015 and if you are saying three to five years that would be, presuming a Council decision in January, so January 2016 to January 2018. I could ask you the same sort of question, how much money do you have? Because while you've got the big assets, you don't have it quite yet.

Marsicano: I clearly do not have committed assets the first group has proposed, but six months from now I might have a whole lot more.

Cooksey: You mentioned seed money in a couple slides. What kind of seeds are you planting here?

Marsicano: It goes before the Board in two weeks so I prefer to let that process run.

Mitchell: Thank you Michael and thank you Committee. The next presenters, CMP Carolina Theatre, LLC.

Marsicano: Thank you for your time.

Jim Donnelly, CMP Carolina Theater, LLC:
Thank you for giving us the opportunity to present. The one way I want to differentiate our proposal and presentation today is that it's not an apples to apples comparison. We've worked on this for the last five and ½ to six years and nothing is theoretical for us. I can tell you exactly how much it costs to renovate the theatre at every level. I can tell you the name of the historic consultant, Killis Almond, that was originally a requirement to bring into this. By the way, I don't want to just focus on the theatre. We've spent $2 million on the front property and the front property drives a lot of how much you can put in the theatre. We know how the ingress and egress will work. We know how this will integrate with the Bank of America building behind it. Everything we've done over the last several years has been moving forward. What we want to do is leverage that. We want to start paying property taxes on the property immediately. We want the best and highest use for that corner. Anyone that knows of our projects like the Trust, at the corner of 4th and Tryon, knows that we will build something that is special that will maximize the value of that property there. We do want to do something that activates that corner in a very interesting way.

All along there has been a civic component to what we are doing. We do not have to be told to add that. It was negotiated a long time ago. We've known that we were going to have to subsidize the theatre. We've known that as part of the agreements that it took two years to negotiate with the City and Country what those requirements would be. It took two years to do that. They're very specific. There was a $5.5 million arts grant for a reason because you are absolutely going to have to subsidize the renovation of the theatre. You are not going to get your money back as a for-profit endeavor when it comes to this sort of thing. I will make a note about the previous agreement; there were over 25 stipulations as to what you had to do in order to move forward with the previous agreement. In a seven-year ago environment that might have been possible, but it simply wasn't possible to move forward in the economic environment of the last few years with those stipulations. There is not a group in here, ARK or the Foundation that could have moved forward over the last period of years, but we never stopped working on it and we never stopped spending money on it and we never stopped making progress. At this point, all of the pre work is done. We have a plan for a building. Now, it might be modified, it might not be a part car-elevated building that leads to the highest property value condos that Charlotte has ever seen, but the foundation of that building is the same, the architectural work is relatively the same and what we put above the base part of the building will in fact change, based on a few things that we work on over the next couple of years.

I will say that we have worked with the City all along. We relied on their input on the structure originally and on what we did a year ago to try and come up with a new agreement and all of our actions are consistent with that. We would not have done what we did if we didn't believe that we were working in partnership with the City all along. We've never stopped working on this and we put our money where our mouth is. We do have a seed already into this, its $2.5 million and that's not throw away. That is the foundation for moving forward and I don't like it when people speak to our financial capability, about what we have to do to go get financing. No one in this room knows that but us and we have shown once again that we are capable of doing projects in a rough environment. I'm going to show you four projects within Tryon Street that we have done in the last five years that are all on the National Historic Registry because of our efforts.

We've secured commitments for actual restaurant operators. We have a commitment from an operator of the theatre, which by the way, it is a relatively easy thing to go and secure a commitment for. As Michael mentioned, there are lots of good operators that can do this. By the way, we brought ARK into this agreement in the beginning as the operator for this when we were negotiating the agreements in the beginning so we certainly have no issue with them as an operator. We've got all the studies around whether it is a boutique, hotel or condominium project, you name it, we know what this project requires. Why has it taken so long? I don't want to rehash the last several years, but it wasn't just the economy. There are very detailed things that you have to do for a corridor like this, and to be quite honest with you, I've seen renderings that are completely unrealistic when it comes to that front building. How much can they build over the theatre? What that surface area of the exterior of the building is which dictates what you have to build and at what price point. We know all of those sorts of things. By the way, people talk about the extensions. The extensions were a good thing. The extensions were always about making the project better. If you look at the extensions, eight of them combined were for only 15 months. These were not long extensions each time and they were all designed to make the project better.

So why CMP? We've always been committed to this. Ask Charlie Clayton over the last five years whose met with him, who has been with him, who has talked to him. It was us. We've talked to all of the people that have been involved in this and shown them that we would work with the right partners. I fundamentally in every possible way want to work with the Foundation to make this corner a fantastic corner that takes Charlotte to the next level, but it is a complicated site that requires the expertise that comes from five years of working on it. So why CMP? I have to be honest with you; no one has more motivation to get this project done than us. You put $2 million into a thing, I guarantee you it motivates you. I will leave it at that and we've always had a civic commitment to the project. We are not simply working on the most profitable business and that work that has been done is important. We don't have conflicts with Live Nation or anyone else. We want what's best for the theatre. We want the best operator, we want to work with the Foundation and do what is ultimately best for the project.

Take the Trust on the corner of 4th and Tryon, not only did that bring that corner to life but absolutely maximizes the value for the City. Rick talks about $3 million for the City over a period of time. Imagine the Delta of having put the Trust on that corner or a project that was significantly over valued. Its millions of dollars difference so this notion of building the highest and best use at the corner of the Carolina Theatre is actually a very major point over the long haul when it comes to maximizing the money for the City. Take projects like the Grace AME Zion Church. No one was

looking over our shoulder; no one told us we had to do that. We got that on the National Historic Registry. You know why I did that product originally? Because my two-year old son said that is a beautiful building that looks like a castle daddy. Nobody in the City gave us money to do it; no one said you have to restore it to put it back on the National Registry. But I got to be honest with you that is one of the seminal historic properties in this City. Take the Mecklenburg Investment Company Building, the first African-American investment bank in the City of Charlotte. There is so much history in that building that it is unbelievable. Once again, no one looked over our shoulder, no one gave us money and we did that during one of the most challenging economic times in the history of Charlotte. But it's not just these local projects; we've done large mill projects. This project in Knoxville, Tennessee was on massive scale and we've worked on that over a period of ten years and it is absolutely successful in every possible way. We're working on Loray Mill, the single largest mill project in the south.

Here is our proposal. We have given $250,000 to the City and if you get every version of every agreement, that was never intended to lock up the property. That was a good faith deposit that was intended to come back to our group as part of renovating the theatre. If you read through all the grants, agreements and everything else that was always intended to go towards the renovation. Having said that, we met with the City and we said you keep that. By the way, we have now added another $250,000 to the mix. We do not want this to be a financial decision around $500,000 versus $250,000, versus zero, but we have stepped up to the plate and said let's take that off of the table. We will honor every agreement that we've made with the City around the level of renovation, who was the person that dictates that level of renovation and once again our track record has shown that. I can absolutely bring an advisory board in this room that looks fantastic. I can do all these things. I can show you a schedule for the theatre. Those are the trivial things. We will absolutely work with the community and work with the people that make this project the best. The Foundation is absolutely a part of that. I would be remiss to think that not working with them when they are the neighbors there. I think Michael would indicate that we are as viable as any other option there and that they have intent to work with us if we are in fact chosen to do it. By the way, we think we should control the front property. We absolutely would be willing to give the theatre part of that to the Foundation. We are very flexible in what we would do and how we would do it. At the end of the day, that's it. I cannot be more passionate about this. I cannot be more forceful about all of the things we have done. We have worked with many of the players in this thing and we never expected to get to this point because we've always worked in partnership with the City Manager's Office and everyone else. People should not question our ability to get this done, given everything we have done over the course of the last five years. We will get this done.

Howard: Thank you for your presentation. Just so we are fair to everybody, I have some questions about the proposal, but I will wait until we ask everybody questions about the agreement because I have some from staff about that one. You mentioned the $5.5 million dollar arts grant. Where is that coming from and what is the status of it?

Donnelly: We agreed a year ago, in conjunction with the City Manager's Office, based on their input to us, that we would take that off the table. That we would take the responsibility for the initial $5.5 million associated with the renovation of the theatre.

Howard: That's the TIF?

Donnelly: That's the TIF, $4.5 million under the TIF and the additional $1 million of it were the property coming back as a gift to the developer. That $250,000, for instance, was money that was given to the City that at the closing would be given back to the developer. That money was never intended to be a lock up, it was intended to be part of the showing that we are capable of doing the project and then you get it back.

Howard: The way you wrote this is that the Carolina Theatre requires major restoration, a grant was created. To me that kind of implies that it was part of your proposal. Is that part of your proposal?

Donnelly: It is not. We will never come back to the City.

Howard: You said in your original agreement that you actually had ARK as the theatre operator, but you have somebody else now. Obviously, you didn't want to share who that was at this point. Can you tell us what their reputation is?

Donnelly: I'd be happy to provide that to the Councilmembers and give you their credentials. They've asked us not to do that at this meeting but they are well known. They have a national reputation. They are a restaurant operator as well. That's why they committed not only be operator of the theatre, they provided an LOI and a price per square foot to the first floor. They have committed to a certain amount of office space in the building so they have made a pretty big commitment.

Howard: The reason why the operator means a lot to me is because that gives me a flavor or what kind of events you have. It is like when I asked ARK and they told me it was Live Nation I had some questions about tell me what else Live Nation does other than the big concerts.

Donnelly: They are a competitor of Live Nation and that is why they don't want to expose themselves unnecessarily.

Cannon: You know this is it for any information we need, we need it today publicly because they doesn't cut it and you know who they happens to be. We have to understand track records to Councilmember Howard's point, and we just need to understand better who they happen to be.

Donnelly: I will answer it the way Michael answered it and that is we will work with all of the parties including the Foundation because they have a slightly different idea of what should happen in the theatre and they have commitments that they are going to need to lock up.

Cannon: I'm going to cut you off because that doesn't help at all. Let me ask you another question as it relates to the renderings. Each side thus far has presented and shown renderings. Do you have any renderings for us to look at?

Donnelly: I will put it this way, I fully support those renderings. I will say that we that have worked with a consultant in the past and it goes back to what Councilmember Kinsey said; there are a variety of levels.

Mitchell: He was asking more direct and you told us you were working on them, but you don't have any present?

Donnelly: Do I have live images of the theatre, absolutely that I can provide today.

Cannon: Not images of the theatre, what you are proposing for the exterior and the interior relative to some of the questions that Councilmember Kinsey has been asking and other members of this body.

Donnelly: Yes, I have those.

Cannon: Do you have those with you sir?

Donnelly: I believe I have them on my computer.

Pearce: There are several different concepts and in various stages throughout this process during the past two years, numerous different forms of renderings, so we have office buildings and hotels.

Donnelly: It isn't showing the original marque. We are the ones that preserved the façade of the theatre. We are the ones that have reaped that, five and ½ years ago.

Cannon: My question was do you have any renderings and you said they are on your computer.

Donnelly: I will provide every rendering we have.

Cooksey: Just to convert the timeframe again, I'll ask the same question to every group. Assuming five to seven years and assuming Council action in January, it will be January 2018 to January 2020; you would expect it to all be done?

Donnelly: Yes, we put a conservative number because when you say not coming back to the Council for money, not coming back to the Council for time, and once again there are a lot of tricky things when you don't know which level of renovation the theatre has to go to at this point sitting here today. It's really hard to make a firm commitment. What if the consultant were to come back and say this is a $20 million renovation? I've got to be honest with you, when you say I've only got the capability to go up to $8 million you might not be able to do it that quickly so we put a conservative number, but I will say this, we are farther along than anybody. We plan to start this project immediately and not start hiring architects and that sort of thing. We plan to use the plans we have to start immediately so we have the ability to move faster than anybody else.

Cooksey: What more can you tell us about the financing you've got lined up to be able to pay for this?

Donnelly: First of all, our group would self-fund a portion of this. We've self-funded every project we've done in Charlotte to a certain degree.

Cooksey: How much do you have available to get that started? The ARK Group told us $8 million to $10 million. Foundation said none now, but they will be getting it.

Donnelly: In the order of magnitude, we've put a couple more million dollars of our own money into it, but once again when you sort of look at the stack, the money that we've already put into it and the money that we can bring to it and then the financing on the back end. The issue with financing has always been fundamentally that we did not own the property. Without ownership of the property, it is very difficult to go to the next level of any type of financing, whether it is creative or traditional. We've proven the ability to get financing for our projects. That's not a problem.

Pearce: Just to follow up on his answer, there's already been $2 million put in that actually has gotten us a lot of the stuff that will be required for financing.

Mitchell: Thank you to all the presenters. I would ask the presenters to stay here because there might be questions and we would want you to come forward and be able to answer.

Howard; I'm a little concerned about, and I guess a little bit of this was implied in the write-up we got from CMP last time about the way this process works. What I just heard was that $250,000 was not necessarily paying for options on the land. It was money that was put up with the idea that the TIF would repay. Anything on that?

Richardson: Peter was involved with the contract portion of this over the last year and he also handled some of the contract terms.

Zeiler: Yes, there was approximately $5.5 million of City dollars that was going to flow back into the project in exchange for the restoration of the theatre and its partial use as a public venue for non-profit and other arts-oriented uses. The source for that funding was $4.5 million in Tax Increment Grant. The other million dollars was the purchase price coming back to the property, but going into fund restoration of the building. Those dollars were only to be transferred back if the developer was able to come to an agreement with a licensed non-profit operator to do the non-profit portions of it as well as entering into a license agreement with a for profit operator to run the for profit portions. I don't recall the specifics, but I seem to recall it was something between 75 and 100 non-profit events per year to be done in the building in exchange for the $5.5 million flowing back into the project.

Howard: We did that with the understanding so essentially the property was tied up but no money coming to the City. They were not paying for options; we were just extending the options over and over and over.

Zeiler: There was an initial deposit at the time of the contract. The subsequent extensions of the agreement, some of them had payments coming along with it which at the end totaled $250,000.

Howard: We took those payments with the understanding that they would get their money back when the TIF came through?

Zeiler: They would get the money back if they completed the restoration of the theatre and if they had entered into the appropriate license agreements with a non-profit operator to do the public events.

Howard: What I'm trying to figure out is why they were tied together. Keeping the property under option is one thing. Why did we require the $250,000 that was not part of keeping the option? Why even tie it to TIF and that together? Does that make sense to anybody? What does it have to do with each other? To me the $250,000 should have been protecting the City's interest in the building, not necessarily whether they kept going or not going. Am I missing something?

Zeiler: The $250,000 were payments toward the million dollars of the purchase price. That million purchase price was part of the $5.5 million. That million was to come back to them if and only if they completed the restoration and they were able to get a non-profit operator.

Howard: But the risk is on them until all of that happens so that money was always, well the way it is written here they let us have it. That is why I guess I do not understand it. How did they let us have it? Was it supposed to be kept or not?

Zeiler: It would have been kept by the City if they were unable to do the restoration and if they were unable to secure a non-profit operator.

Howard: So we are assuming because we didn't renew the options that none of that happened. So the money is ours, they didn't give it to us, it was part of the deal and they didn't live up to their part so the money is ours?

Zeiler: Correct.

Howard: Walking through the current dynamics, they actually kind of talked through and they talked in general about the City Manager's Office. When the last option expired, was that done in some way that said to them we are going to let this expire so we can come back and renegotiate something? They make it sound like they in good faith let it expire because they were told it would put them in a better position to do something in the future. Is that the way this was written?

Donnelly: That is 100%.

Howard: So help me understand what happened.

Mumford: There was a conversation in the fall of 2011, a year ago. The contract was to expire in December of last year. We met with Jim and his team and through that conversation he said, like he mentioned today, it would be a lot easier for them to get financing if they own the property so we said well let's look if you just want to don't do the TIF, don't confuse it with all these extra parameters we've put on it, you want to just buy it. The Council originally had, as Peter mentioned, a million dollar purchase price. We said let's do that and it will be much easier to let the contract expire, because we had been through so many different iterations and then negotiate with them for a $1 million in sales price. They could own it and they could go about doing the project. There was clearly a communication gap with that and Jim and I have talked about this. They came back and said we

really didn't see it as a million dollars just to the City; this was after the City Council voted to let the contract expire. They said really what we are really looking for is the million dollars to come back into the project. We had said the $250,000 in earnest money would be credited so it would really be a $750,000 payment, so at that time we spoke to Jim and his team and said well we don't unilaterally make a decision, come back to us with whatever the deal is. They structured that as we had asked, brought that to us and we were prepared to present that to the Council in March and that's when the Foundation brought forward an official request or official proposal letter to the City Manager at which point we felt certain the Council was going to want to know how these two weigh against each other so at that time we did not present it to you all. It would have been just Jim's group proposing and you all had already been contacted by the Foundation so we could weigh these two proposals in Committee like we are doing today.

Howard: I think I'm good with all of that. I think the thing that I just wanted to make sure that it was clear that all of that was negotiated and it was pending Council's approval. That was made clear that there was no way you could just kind of say let it expire. It was going to expire anyway so you would have had to come to Council and ask for another extension.

Mumford: Correct.

Howard: So you didn't let it expire? It expired without some understanding that it would be extended some kind of way.

Mumford: But in fairness Jim and his team heard us say we will work with you, which we have been doing and they said we won't go in front of Council and ask for an extension. They agreed to the expiration and then we had a 90-day window of time that you all granted us to work with us and that is where the confusion came in with the proposal in our mind, which was a million dollar payment.

Howard: Mr. Attorney, any concern in that line of questioning and did you have it where we are today?

Hagemann: None at all. I have no concern about the legality of the actions taken by City Council or staff.

Howard: Was there anything that was not shared by City staff that you can add to that to make it clearer?

Donnelly: We had conversation with them and there was a reason for a $5.5 million TIF. The reason was a lot of money had gone into the theatre and it would be very difficult to complete the renovation without that subsidy, hence the whole two years we spent negotiating. The $1 million price was why do we need to give you $1 million that is going to come right back to us when we renovate the theatre. We've given you $250,000, we are moving forward. We've demonstrated in every way that we are committed to this project. That was a part of the discussions with those groups and we can talk about everyone's interpretation of that, but that 90-day period was very important in terms of we were going to have a negotiated agreement between us and the City that would allow us to move forward in an acceptable way for them and we felt like we had never gotten that.

Howard: But it was clear that you knew one way or the other you had to come back to Council and it could be subject to not being approved for an extension. That was always clear.

Donnelly: It was but we always relied on the conversations that we had. I'm just speaking from the perspective of why we got there. We were working with them hand in hand as a partnership, not as a we've got a club over your head.

Howard: But it is clear that you have to get a final vote so that could have gone either way when you came back to Council. You gave up the option to come to Council.

Pearce: Exactly and we likely would have explored other options had we known.

Howard: So the last thing I had is and Mayor Pro Tem asked this question and it was to what level I think you were saying and did you have a dollar amount. You had it for seven years, what is that dollar amount? Like you said, you know it better than anybody; you kind of said it depends on if you bring in somebody to what level, what is the number that you guys have drawn. If you have done it better than most, tell me what that is above appropriateness. Tell me what that dollar amount is.

Donnelly: I'll give you three tiers. The first tier is $5.5 million.

Howard: Not tiers, which one were you planning to do?

Donnelly: We were planning to do more than a $5.5 million tier, which is probably to be fair in the $4.5 million, $5.5 million to $8 million range. Once again, there is a $25 million tier out there and I would say that the conversations that have happened in these meetings the last couple of times have pushed beyond anything that was in the existing agreements that drove the $5.5 million.

Howard: The reason you can't tell me is because we've already gone beyond what you planned to do originally.

Donnelly: Originally we were planning to do $5.5 million. That was in every agreement and that was the number. That included City Council going to Atlanta, for instance, and touring the Roxy versus the Fox Theatre so that everyone would get on the same page and say we are doing a Roxy versus we are doing the Fox. The conversation during the last few weeks has now moved more to we are doing a Fox. We're saying don't necessarily think that's a problem but it absolutely then goes back to what are you going to do on the front parcel.

Howard: Really what I'm trying to get to is that you said you could do it because you actually have more to do and it sounds like you don't know what you would do with the theatre still.

Donnelly: I would commit to the same level of renovation as either of those and I would know that is a firm number because I have in fact worked with the Historic Preservation folks. I know what you can and can't do in terms of connecting the building so when I have you a number, I know I can commit to the number, that's all I'm saying. It isn't based on facts, it is based on experience.

Howard: I have a question for ARK. There is a difference between renovating an old building, which you have done over at Music Factory, and restoring an old building. Remember I asked for examples of where you have actually restored one. I gave the example of what Peter showed us in Detroit. To me, that was saving an old building and the difference of restoring an old building. Restoring it says you take it to the next level. Have any of the buildings you have done been restorations or have they all been renovated old buildings?

N. Lazes: We have done restorations in Philadelphia and in Miami and here more of saving old historic buildings. The object here is to save the history of the building and to build it to restore it as close to its original character as possible, but not exactly.

Howard: Would you consider it saving the building or restoring it?

N. Lazes: I would consider restoring the building.

Howard: The lobby area, and I know that can't really go in until you do the building because you want to build on that footprint. If you open the theatre before you deal with the building, how do you keep that corner? The only way I can picture this is having big tents out front and a make shift lobby, kind of an event tent. Is that what you have in mind to accommodate the pre-function area for the theatre if you plan to open the theatre before you do the building?

N. Lazes: I think there is another level, obviously in your mind you think of a tent, but you see some outdoor structures that are done and you can construct use in the interim until you have the tower constructed there. I think there is some stuff we can do that will give the proper use of the park and the surrounding area.

Howard: Regardless of who gets this project, that would be a concern of mine. Can I ask that question of the other two folks as well? What happens if the theatre opens before you get the building built? I just don't want party tents out on Tryon Street. That is what I'm really getting at.

Donnelly: There is one other option which is to use 6th Street. There actually is a ticket office on the 6th Street side if you walk into the theatre and go over there. I don't know if that is the most desirable way, but that is an option. I agree with Noah, that there are lots of things you can do that go beyond a simple tent structure that feel more permanent and feel sturdier. I think those are the two leverage points that you actually create a temporary ticket office that flows through the 6th Street side of the building or do you come through the pocket park knowing that you are really going to disrupt the beauty of that park if you start throwing tents up.

Marsicano: We do have the ability to use the lobby of the Foundation that connects directly into the theatre. But what's important with our proposal is that we are going down two tracks. We want to line up all the tenants for the office tower. Any developer is going to build an office tower if you've got the tenants, simultaneously to raising the capital for the theatre. Frankly, we'd like to two to come together so it's all done at one time. That means we're six months to a year later into the proposals. That may be the price we pay.

Howard: If for some reason the theatre opens before, would you like to just leave the park in place?

Marsicano: We have to examine the numbers and the lobby needs of the orchestra of the theater. We'd like to leave the park, people have vested in it. People love it. We'd like to keep it as long as we can.

Howard: Timetable on the development of the building because that is the best way to not have that lag time. Is there anything else on the framework on how you get that going sooner than later?

Marsicano: We are going to simultaneously line up the tenants while we're raising the capital and hopefully it all comes together in three to five years total.

Howard: What about CMP?

Donnelly: I' comfortable with a three to five year timeframe.

Howard: What I read in your proposal it that it is really not necessarily the condo concept, it's just a building.

Donnelly: We have very little ability to change the first seven floors because that's the footprint in front of the theatre. If you start to expand that footprint, you start to knock down the theatre and infringe on what you can do. The first seven floors aren't going to change much with anyone's proposal. It's what goes above the seven floors, and we have basically a plan for a 20-story building, which drives the economics for how much money you can put in. We would absolutely push that towards the high end side because the higher the property roll, the better for the corner and the more money you generate to go beyond $4.5, $5.5, $8 million. The more high end you make that project, the more money you have.

Howard: I think I'm looking for the definition of what it is so I know it can be done.

Donnelly: Sitting here today, I would say it would be an office tower.

N. Lazes: I too agree with Jim that the highest and best use there is important to the tower, but I don't think anybody in this room can judge when there will be enough office demand. Sure if you line up all the tenants, there will be a lot of development but whether or now we can, we don't know. We are going to start the theatre immediately. We are going to start construction and design and work immediately. It is funded, it is ready to go. That is a big difference here and the office tower will happen as soon as it is economically viable. We all know that's a great corner that can be developed by a lot of people if it is economically viable but we have a lot of office vacancy right now and we have a lot of space uptown so I'm not sure when that tower happens. Our goal is three years as well. But that's a goal and that is economy-driven, but the theatre development is not.

Dulin: I've got another Committee meeting, Governmental Affairs at 3:00p.m., but you all take your time here and I'll go up and keep everybody on ice. I don't want to rush what you all are doing here because it's important.

Cannon: You did a pretty good job of explaining the interior, but I didn't see anything relative to the exterior. Can you talk to us about what that exterior might look like because one of the things that is really important to me is how it blends in with the fabric of the rest of the community at that particular location with the Dunhill being on one side, Discovery Place on another, Foundation of the Carolinas actually bumping up right next to it and then of course the Library. What might that look like?

N. Lazes: Of course the goal is to preserve the marque. There have been lots of studies on how to assemble that and where exactly it should go. Certainly there will be a lobby created when there is a new structure built there. The marque of some form and fashion, ideally in its original state. The rest of the building is to blend into the theatre and of course the Foundation on the other side. For that matter, if there is a way to incorporate the Foundation's lobby improvement and upstairs gallery, we are in support of that as well. That is something the CTPS would be concerned about not jeopardizing the historic value.

Cannon: Let's go beyond the façade of it, that next layer up. I had this conversation I know with the Foundation of the Carolinas and how it transitions because the one thing I'm not too interested in is that it transitions from the historical component to something immediately contemporary. In there, there can be building materials that would allow for an opportunity for it to transition from that historical element. In other words, you are going over and above what's currently right there on the façade, that first level, and then you still use building materials to kind of put on the face of where you are going to continue to go, then it transitions over. I'm wondering would your thinking be somewhere along those lines because again the interior is one thing and I think it is really important, but the exterior I don't think we should act like it doesn't exist as well.

N. Lazes: You certainly know that the exterior of the theatre currently is brick so it needs to be some kind of brick element to tie that together. I think it has to blend in of course with the marque and to the area and that side. You're not going to build a modern looking building; you want it to look like it is part of the theatre so it is inviting and is fabric of the theatre. We can make sure that it blends in nicely with what is there.

Cannon: Thank you so much. For the Foundation of the Carolinas, you talked about hiring a consultant. Any individual or entities in mind that you have right now that you could put on the table for us to have an idea about who that might be?

Marsicano: I don't have a specific choice today. When I was involved with the Carolina Theatre in Durham, we consulted with Hardy Holzman Pfeiffer a firm with a track record of bold new and restoring old theatres.

Cannon: I'm sorry, what was the name of that firm again?

Marsicano: Hardy Holzman Pfeiffer. They are no longer together as one firm but may be available separately. We have not researched the options out there, but will do so if awarded the opportunity.

Cannon: I have a question across the board that Councilmember Howard asked in terms of restoration experience in restoration. How many of you have had across the board experience in

restoration minus, asking you that question because you have already stated Philadelphia and Miami. The ARK Group that is.

Donnelly: I can give you six very specific projects, which are all shown within the project four within two blocks of Tryon Street plus Knoxville, plus Loray Mill, for example. They are from relatively small footprint up to the largest mill in the southeast.

Cannon: Have you been in the business of saving any building per se?

Donnelly: Yes, I gave the example of Grace AME Zion Church. That is 100% about saving it, getting it on the National Historic Registry. The Trust sat there for eight years on the corner of 4th and Tryon. That was about saving that building, and by the way, getting that on the National Historic Registry as one of the best examples of modern historic architecture in the southeast. The soul of a building is very important to a project in its reincarnation.

Marsicano: A little different twist in the proposal. Since we will be selecting a developer, we can select developers that have that experience. Specifically, the Foundation has done renovations to buildings, but not preservation.

Cannon: In terms of action, it says if ready make a recommendation. I guess I will ask Mr. Chair where you would like to go with that, whether we are ready or not, but if there are any other questions I will yield to those questions.

Mitchell: I would hope to be in a position today to make a recommendation to Council.

Fallon: Jim, you are the only one doing a residential component. Are you going to set aside a few apartments for resident artists or resident theatre people at a lower rate?

N. Lazes: Originally we were 100% committed to the higher end, but did not have a component of lower end housing that would be set aside for the artists and that sort of thing. Having said that, we have looked at two other alternative concepts to the residential component, whether it is a boutique hotel or straight officer tower. It's very difficult to create a small section of that building for the artists. But once again, I would go into it. Michael has a set of requirements. Charlie Clayton at CTPS has a set of requirements. There are a lot of folks that have different requirements as part of this project. We will work with each of those constituents and we will carve out the things we do. Having said that, I've got 100 pages of financials and that sensitivity analysis, but there's only so far you can go if you want to maximize the amount of money for the restoration and you want to maximize the tax revenue for the City, so it's a real balance. Our hearts are in the right place and you can look at our projects like the church and like other projects, where it's always been driven by what doing what is right for that project.

Mitchell: Committee, any comments or questions? Let me make a few statements because I think for the Committee this is a tough decision for us just by hearing the discussion among our Committee Members. I think largely in part because we have three good potential partners of the site. We have great relationships with the ARK Group, CMP Carolina Theatre, LLC and the Foundation for the Carolinas and so far it is really a decision about our vision and what we would like to occur right there

at the Carolina Theatre. Then we have these outstanding issues that made all of us uncomfortable about was the process fair. I would tell you staff, some of us struggled with making sure that it was fair, that the process had enough integrity, but no one can say even today that we made a decision that the City of Charlotte did not do anything right or this Committee did not do anything right. So it has been tough. I hear my colleagues' talking about is it profit, is it a civic engagement and I think, not taking a poll, but we would like to create both. A great place where there is a civic engagement in our Center City at the same time, I think all of us would like to put this back on the tax roll because we are in the business of creating more revenue so we can do more things in our community. I do not know where the votes are and that is good as Chair because I'm supposed to facilitate and vote with my conscious. Let me just share with you, I have always been a strong advocate of the SBO participation who is committed to make sure our small businesses are thriving here in this community. We did not ask for that to be part of the criteria, but I guess what I would like to ask is how do you feel about small business participation and in your mind, do you have a certain percentage that you would like to create on this project? I'm going to go in the order that you all gave the presentation. The ARK Group, what is your feel about small business participation and do you have a percentage in mind of participation?

R. Lazes: We are absolutely committed to that involvement and the Legacy Partners are in that field. We made that commitment before coming to you. As far as the work of the Foundation, there is no question on that. The theatre brought all this up and it was a broad and diverse group of people that live and work in Charlotte from all different walks of life and different social and economic background that should have access to this amenity and that is why we brought Legacy Partners in to help make sure that the process is transparent, that on at least 100 days a year those groups will get use of the facility and it will be a diversified project.

Mitchell: Mayor Pro Tem just said something that is so important. On the construction part as well, what is your SBO level of participation?

R. Lazes: In terms of percentage?

Mitchell: Yes.

N. Lazes: On the theatre 100%, on the tower depending on what qualified contractors you have. Most of the contractors that we work with on interior restoration will be small. You will need somebody specifically to do a plaster and you will need someone else to do a restoration and we are going to try to select the best people for each specific piece. If it wasn't for that process, you could actually start construction probably in six months. That's why we ask for 18 months, to make sure that we line up all the appropriate people and a lot of those are very small.

Mitchell: The Foundation for the Carolinas, SBO participation?

Marsicano: A couple of thoughts. First of all, we are absolutely committed to that. That is the core of what the Foundation is all about to support these programs. There was participation in the building that we renovated, but most importantly, when the City could no longer do the loan situation that it used to deal with small minority businesses because the courts were going to take you down, and you

changed your policy, we were brought in to put film-profit dollars into a revolving loan for exactly this purpose. If that is not the strongest statement on that, I don't know what other statement could be.

Mitchell: Thank you. CMP?

Donnelly: We started as an incubator in this City and we have businesses that are retail businesses, businesses that have real estate development and we have created many a different type of business all in uptown. We're committed to continuing to do that in uptown. Every single one of our vendors, every single one of our designers, every single one of our contractors is locally based. We have never gone outside of the City of Charlotte for a single resource on any of our projects.

Mitchell: Thank you Jim. You shared with me that you have a commitment for SBO's here and that you don't go outside.

Donnelly: We never leave this footprint to find the folks that work on our projects.

Mitchell: My second point is and I'd like to get a motion from the Committee. I know there has been a lot of effort of trying to do some partnering and I thought all three groups were sitting down trying to have a conversation. I think most of the Committee Members think there could be unique partnerships and could be a win/win for everyone. I know that didn't happen or hasn't happened yet, but ARK I would like to thank you for taking the time out with the Foundation, the Foundation took the time out with Donnelly and Donnelly you had a relationship with ARK at one time. I applaud you all because in this competitive nature, you can easily turn away from your competitor as opposed to finding a way to collaborate so I thank you.

Kinsey: Just sitting here listening I hope very much that whoever the City selects will balance the use of the theatre and I'm hearing that but I think certainly there is an awful lot of need for some civic space, absolutely. I hope we won't get too far away from the fact that it was a theatre, it had live entertainment and I hope we can combine that. I don't have a vote on this Committee but I really do appreciate you letting me sit in very much.

Howard: We've been over here talking about who is going to put their motion on the floor first, so here we go. This has been a real interesting one for me trying to figure out the tangled web that happened prior, trying to figure out the balance between profit and public use and I think I'm going to stay where I was last time we met and that was the fact that restoration and the civic use is my lead in criteria on this one so I make a motion that we move forward with the Foundation for the Carolinas.

VOTE: Motion was made by Councilmember Howard and seconded by Councilmember Cooksey to recommend the sale and redevelopment of the Carolina Theatre site to the Foundation for the Carolinas for Council consideration at their December 17th Zoning Meeting.

Cannon: Mr. Chairman, this as you said is a very difficult vote to make largely in part because there are friends represented on both sides of this. While I believe that the motion on the floor is for a worthy entity that could do us a good job, I am of the opinion also that your comments, Mr. Chairman, in terms of trying to create the best of both worlds rest with another entity. That entity also that comes to the table on would be one that has a proven track record of being engaged in

restoration, renovation and safety an entity that also comes to the table to be able to put this property back on the tax rolls, much to the needed want I think and pleasure of the taxpayers so that we can continue to invest in the infrastructure that we properly need in this community across the board among other things and for one that comes with a purchase price that can be realized to be something very well taken and received by this community and especially this city. It is with that said that my substitute motion would be for the ARK Group.

Mitchell: There's a substitute motion made by Mayor Pro Tem for the ARK Group. Is there a second?

VOTE: Mayor Pro Tem Cannon made a substitute motion to recommend the sale and redevelopment of the Carolina Theatre site to the ARK Group for Council consideration at their December 17th Zoning meeting , with the following amendment that there be a guarantee that the ARK Group would not come back for any additional funding from the City, they would guarantee restoration would take place, and they would also maintain to be a key component of the civic piece for the life of that particular property where we would have a level of expectation for community non-profit etc. involvement. Mayfield seconded the motion for discussion.

Mayfield: Capture this moment because I don't know if it is going to happen again where I have had very little to add to today's conversation. I will admit I am torn between the proposal from the ARK Group and the Foundation for the Carolinas because I do think both organizations would do an amazing job. I am more concerned about the preservation of the space as well as the impact in the community and I know we just asked the question regarding the SBO goals and we kind of played around with the MWBE goals a little, of which I would like to hear. I'm going to ask that question again to both ARK and Foundation for the Carolinas, but I want to thank all three companies for your proposal which has made this so difficult, so it's a good thing that it is a difficult decision. At the end of the day, I'm about getting our local people back to work. I'm not necessarily a fan, and this is my personal option, outside of work, and that is just a personal opinion, coming in when we have so many people unemployed here so I would like to hear what the commitment, specifically to the minority, women and business owners, the MWBE as well as all of our minority groups that we have out there to making sure that you have an opportunity to be a part of the overall, not just the theatre, but when it comes time for that development for construction I would want to give both groups, starting with the Foundation, to hear what your conversations, if any, have been up to this point? Right now we are looking at construction, what is the minority participation?

Kimble: I would like to have you ask Legal if this is a legitimate question that they can put on the table.

Mayfield: Ask if there is a commitment or an anticipated commitment?

Hagemann: Let me make a broader observation on that specific issue. At the end of the day, we are going to have to negotiate a contract with one of the three groups that presented. Staff has not attempted to do that yet so a number of the issues in terms of their intent that they have spoken to, we'll have to explore with them whether that intent is something they're willing to write into the contract as a binding commitment and we haven't had conversations yet at this point about whether or not the SBO component of that would be part of the contract as a requirement. I'm okay with them answering the question because you have asked in terms of what is your intent but be aware that to

staff, once you have selected somebody that you then recommend the Manager to go and negotiate with, we are going to have to boil that down to a contract and figure out what pieces of these different intents are actual binding, legal requirements that they have to meet in order to not be in breach and then we will have to figure out through that contract what the consequences are as a remedy if they don't meet those legal commitments.

Mayfield: Ok, I'm going to rephrase that because based on the previous conversation, I just need a little more time.

Cannon: I just want to make a comment also that within that motion that it also be that there be a guarantee that the ARK Group would not come back for any additional funding from the City. Two that they would guarantee this restoration would take place. That should be part of it as well and they would also maintain to be a key component, the civic piece for the life of that particular property where we would have a level of expectation for community, non-profit etc. involvement.

Mitchell: You've heard the substitute motion to the amendment. A second by Councilmember Mayfield. Are we ready for the vote?

Cooksey: We haven't spoken in favor of the original motion which is relevant to the motion. I think that would be a useful conversation.

Howard: I think I said it when I was making the motion.

Cooksey: My perspective is, I want this property out of the City's hands and never to return. That is the number one priority for me. The rest of it, yes I would like to see it on the tax rolls, yes I would like to see some restoration, preservation would be nice as well, but the number one thing, having been burnt a little on some other issues and seeing in 15 years of watching Council try to dispense of properties under specific special sales, I want this off of our plates so we can focus more on the things that we should focus on, which is why I lean toward the Foundations for the Carolinas as the entity to take this over because they are in essence pledging to do in more detail what we shouldn't be spending our time on but we would like to get done, and that is focus on the development of it, finding the right developer, find the right operator, find all of that stuff that we could spend a good deal of our time doing coming up with this level of specificity and that level of specificity, but we've got other things on our plate as well. This issue has languished with Council through extension after extension. This isn't about CMP, this goes back as I remember presentation about the Carolina Theatre in the late 90's when I was just sitting and watching Council. Issues about a company coming in, offering to do a night club in the basement and performing in a venue and something on the roof and the Council turned down then as well. I want it off of our plate and I think it's the Foundation for the Carolinas that is most equipped to through whatever we can't predict, be able to take it off our plate and keep it off our plate. In each of these contracts, I presume there is going to be a right of first refusal or a revision back to the City if certain things aren't met. That goes to the Attorney's comments about the remedies for breaches, but I think it is less likely that situation would ever come up if it's the Foundation for the Carolinas that is managing this process for us rather than a direct developer at this point. Another thing, who knows who might be out there that might be capable of doing something good with the site. We haven't really opened it up to a full RFP at this stage. We are still managing

this as a more direct sale. That's why I supported the motion and that is why I will be voting against the substitute before the original motion.

Cannon: I would just simply disagree with all of that largely in part because if the idea is to not to have an expectation for it to come back to us then you set some level of ground rules for that to be created and I haven't heard how it may not come back to us. I think that if you are talking about someone who has the financial capability and the stability to be able to do something now, rather than later, I think you tip your hat toward that. One thing that is very important to me is that we heard profits come up a couple times in presentations and in a time like this profits do mean something. I would just hope we wouldn't ignore that because it is a reality and we ought to be thinking about that. I think the Foundation for the Carolinas is an excellent organization and it is not anything personal as everybody knows I believe, but this is a business decision from where I'm sitting and I think we ought to be thinking about all the things that could be. If you sell it to someone in the private market, it is out there and I don't see it coming back if they are awarded the opportunity. Who knows, we've seen all kinds of plays so we will just watch and see what happens. I call the question.

Mitchell: All of those in favor of the substitute motion, please raise your hand (Cannon and Mayfield).

Mitchell: All those opposed? (Cooksey and Howard).

Mitchell: All of those in favor of the original motion raise your hand. (Cooksey, Howard and Mitchell).

Howard: The last thing I want to do and I agree with Mayor Pro Tem and this is not personal, this is a very hard thing, extremely hard thing to deal with. I think there are some possibilities of people continuing to talk about partnerships and I would hope that continues. If for some reason Mr. Marsicano this is successful all the way through Council, you have two very good potential partners and I hope you would really consider talking to.

Cannon: In closing, very good comments. Councilmember Howard and I would also say to both entities that were not successful today, you still have time. There are phone numbers that members of Council have and e-mails as well as the Mayor and I would ask you if you so desire to go that route in the way of doing what anybody else would do in terms of accessing elected officials, that you would so consider that. Thank you.

Mitchell: To all, thank you so much.

II. ReVenture Update

Kimble: We put it as ReVenture update on your agenda and that is a presentation to be made by Barry Gullet and he is ready to proceed. Two members need to head to another Committee meeting, so I think if we could do this in ten minutes that would be helpful. It is important to give you an update as this will be coming back to your agenda shortly in January with more follow-up and a vote required to recommend to City Council.

Howard: What you are talking about is the City's portion of ReVenture, which is the Wastewater Treatment Plant?

Kimble: That is correct. You will see it clearly when Barry goes through the presentation. The limited role that the City plays, it is a major role, but it is a limited role.

Gullet: I will try to be real quick and what I want to do today is really give you a little bit of background. It has been a long time since we've been here and there has been a lot of work going on in this project and I want to refresh your memory as to who the players are and why this is important and what we are going to do moving forward. I think we are going to be back to this Committee in January with more details, specifically about the land purchase and to hopefully get your recommendation to full Council at that point to go forward with the land purchase which includes the nutrient allocation purchase and also to approve a Memorandum of Agreement with the Town of Mount Holly. I want to lay the ground work for that today.

(Refer to PowerPoint presentation)
Gullett: These colors up here represent service areas and the yellow is the Long Creek area and the brown area is Paw Creek. Mount Holly and Belmont are over here to the left. Right now, we have wastewater from the Northlake Mall area that is flowing by gravity to the Long Creek Pump Station where it gets pumped over to Paw Creek and then it flows by gravity all the way down to Pineville to McAlpine Creek so it is about 27 miles that we are moving wastewater. When you look at the long-term future of this community that don't work and one of the reasons that it doesn't work is that there is a big investment to get as the flows keep increasing to get from here to here. A big expense to do that so the other thing we want to do is, and we are cognizant that we are going to run out of wastewater capacity at some point so we've got to be planning now for long-term future. What we want to do is maximize the capacity we can get for wastewater treatment going forward. This is showing the service areas again and this shows you the proximity of things and why it makes so much sense to work together. Mount Holly has an existing wastewater treatment plant sitting right here. Clariant has an existing wastewater treatment plant sitting right here. We have an existing pump station sitting right there so what we want to do is put a new regional wastewater treatment plant right here that will serve all of these folks and consolidate and get more bang for the buck. If you move just a little bit downstream, the Town of Belmont has a wastewater treatment plant sitting right here. The other stuff is right in here off the edge of the map. We have the Paw Creek Pump Station sitting over here so literally just across the river. You got a lot of stuff together here so we need to do this project because we've got to protect the environment. The State has put a limit on how much phosphorus and nitrogen can be discharged into Lake Wylie forever and ever. That is a finite number and it is all allocated, every bit of it is allocated out. Economic Development, as I said we've got to have wastewater treatment capacity or nobody else is coming. The door will be slammed shut at some point in the future. We want to do this in a way that it has the least impact on customers.

Howard: The site that you are talking about, ReVenture, that is the Catawba River isn't it?

Gullet: Yes.

Howard: So you are saying what you can emit into Lake Wylie down at McAlpine?

Gullet: No, Lake Wylie is the Catawba River. It is one and the same. Sometimes I call it Catawba River and sometimes I call it Lake Wylie, but it is the same thing.

Gullet: *(Continued presentation).* It has been a couple years since we presented on this and we were looking at $150 million to $180 million project to build the Long Creek Treatment Plant and we thought it was imminent and we needed it really fast and it was going to have a big rate impact. As we have looked at things and things have evolved, we think we have found ways to push that out and defer that costs until it is needed so that is the least impact, but to do that we've got to have a firm plan and know what we are going to down the road. What we are trying to do now is lay the foundation for that long-term plan that we are going to get to down the road. It is a limited opportunity because the State has put hard dates on the Town of Belmont and the Town of Mount Holly for improving their wastewater treatment plants to comply with this limit on the total amount of nitrogen and phosphorus that can go into Lake Wylie. If we don't do something now, they are going to make a big investment in their wastewater treatment plants and that is going to slam the door on this regional opportunity. That is why it is important that we move now.

Mitchell: What is the timeframe we are dealing with?

Gullet: To move quickly now is to lay the foundation. It is to buy the land, lock down the agreements with the two towns and lock down our agreement with the State so that everything is in place so that somewhere down the road when the time comes we can build. That is what this illustrates. When we were talking about this several years ago, we were working on a master plan that had a need projected that looked like this and capacity that looked like that and it was based off data that looked like this, in terms of flow. This study came out in 2007 and when the economy changed in 2008, the growth didn't happen. In fact, it flattened out and has gone down. That is why we can push this thing out farther now. That is why we've lost that urgency of having additional capacity, but we are going to need it in the future. It is going to come back.

If you look at this *(slide on page five),* P and N are phosphorus and nitrogen, so right now Mount Holly is putting about 70 pounds of phosphorus per day into Lake Wylie and about 392 pounds of nitrogen. They are doing that with about two million gallons of flow. Belmont's numbers 42 and 282 and they are putting in a little over a million gallons. The total of that is 112 pounds of phosphorus and 675 but it is only 3.5 million gallons of flow. The regulations that the State passed says that the maximum amount that Mount Holly will be able to put in is 50 pounds of phosphorus, which is less than they are putting in now, 300 pounds of nitrogen, which is less than they are putting in now and that is at twice as much flow as they are putting in now. That is an impossible situation for them to meet unless they have a big expansion. The other piece of this puzzle, and of course there is Belmont's numbers as to what they can put in at five million gallons in the future. The old Clariant Industrial Treatment Plant, which isn't really discharging very much flow right now, but could and has been and has the potential to do it again, could put in another 36 pounds of phosphorus and 286 pounds of nitrogen and another almost four million gallons of flow. Part of this bargain is that we buy that. We buy that capacity, that 36 pounds and that 286 pounds, we want to buy that and we can use that to help comply with these total numbers that the State says have to be met for Lake Wylie. That is what the State wants out of this. The State wants to comply with these numbers right here. If you look at these numbers and you add those up and you take these off the table then we can comply for some time. As the flows keep going up, we won't comply at some point in the future and that would be one of the triggers that we would have to go in and make the investment to build the treatment plant.

Mitchell: When that Clariant site was fully operating back in the glory days was it producing at that level?

Gullet: It was working at about those levels. So the future scenario going forward is that Mount Holly will initially move their flow over to the Mecklenburg side and Belmont will move theirs over also. Then we build this regional wastewater treatment plant at some point in the future, we will consolidate all those pounds and we will treat to a higher level so instead of treating 12 million, 13 million gallons under the current scenario that they could get to, we can almost double that and provide 25 million gallons of capacity for the whole region which is twice as much as you would have under the other scenario.

Mayfield: What is that going to do to the rate that the citizens are already paying? We have to do it and you said because of the crash, we didn't grow as quickly and we need this immediately right now with looking at the chart that you just past, but when we are looking at what this is going to do as far as the rate.

Gullet: We are trying to do this in a way that will save the rate payer's money. If we don't build the treatment plant, we have to build enough pipe to get from here to here, which cost more than the options that we are putting on the table now.

Gullet: *(Continued presentation)*. Belmont and Mount Holly have dates firm. They are written in their permits and those dates are like a year from now. We've got to negotiate this and get it nailed down with the State so the State will extend those deadlines. If we can show the State how we are going to comply with those total numbers that the State is trying to get to, then the State has told us they will go along with that. They are on board with that so the proposal meets the State's goals. We've got to do these agreements now, we've got to continue. We have an environmental impact statement for this project that has already been submitted to Raleigh. The folks in Raleigh are sitting on it until we can nail down some of these agreements and get them a little more firm. That is what we will be bringing back to you. The Mount Holly City Council has called a special meeting on December 19th to hear and consider approving a Memorandum of Agreement that will help us move the EIS forward. If you remember, Charlotte City Council and Belmont City Council approved an MLA like that about a year ago. Since that time, we have been working on the final inter-local agreement that would be the firm binding deal. These MOA's are framework and not necessarily binding. That is where we are and we need to purchase the land now to do that. If you remember what you have already approved is Belmont is going to pay for the pump station to get it across the river. They will pay for treatment on a per gallon basis. CMUD will pay for the pipe across the river. We are going to give them two million gallons of treatment capacity in our plants and then we get that nutrient allocation. They transfer that to us and we get the increased capacity and we avoid those pipeline costs. The same kind of thing with Mount Holly, the agreement you are going to see for Mount Holly calls for Mount Holly to build the pump station and the pipe across the river up to a cost of about $14 million, their tab, then they will pay us per gallon to treat their wastewater going forward in the future. We replace their existing treatment capacity, their four million gallons of capacity and we give them a million gallons of planning capacity, just kind of a paper capacity that they need to be able to commit to take future flows from development on their side.

Howard: The way that you are going to get across the river is what?

Gullet: The way we get across the river is under the river. It is not under the water, it is under the river. It would be tunneled under the bed of the river in the rock.

Howard: How hard is that and how safe is it? I'm really worried about leakage.

Gullet: It is a pretty common practice to go under bodies of water like that. The gas company has some large gas lines that cross under the river, not too far up from here. In terms of construction, it is not a lot different than crossing an interstate highway. In other words, you've got to go down and under it all. It is not an easy thing to do but it is not extremely difficult. It is done all the time.

Mayfield: If we move forward with this, is there any other development that is going to be going on under water? Do you know if there is any need like Duke Energy or Piedmont whoever is under water, if they are going to need to do anything with changing their pipes because of what we are doing? You mentioned that we already have piping that is under the river.

Gullet: The only pipe that is under the river now is gas company piping and that is way farther upstream. It is not in this same area, it is way farther upstream.

Mayfield: So this is not going to interfere with any other under water piping?

Gullet: That is correct.

Howard: I don't know the safety concerns, but isn't there a bridge that you could attach to and go across and come down?

Gullet: We have beat that horse and beat that horse and beat that horse. There is a desire by some folks to put a pedestrian bridge across the river to access White Water and we've worked hard to try to find a way to use that bridge to support this pipe and it turns out that is probably the most expensive way to get the pipe across the river.

Howard: How deep is the bed of the river? It's got to be 15 or 20 feet?

Gullet: It is probably a little deeper than that, but we have pipes in our system now that is much deeper than that, so the construction aspect of this is not something to be overly concerned with at this point.

Cooksey: When we read about the rare and unfortunate sewer overflows, where do those things tend to occur? I'm guessing not in an underground pipe. Where are the risk points?

Gullet: The risk points or overflows are at manholes. Manholes are on gravity flow pipe. This will be a pressurized line like a water pipe so it will be closed all the way through there with no openings on it. The risk of a spill into the river is virtually nil because it is going to be under the river. There won't be any direct contact between the water in the river and this pipe. The real risk is that if we don't put this under the river and we build that 27 miles of pipe.

Cooksey: I don't want more pipes coming out of McAlpine. What are the capacity numbers that McAlpine runs under these days, about 95?

Gullet: On an average day now it is running about 50.

Cooksey: It has hit 95%?

Gullet: It has treated as much as 120 million per day during a wet day.

Gullet: *(Continued presentation).* There are a couple or really important take away today. One is that this lays the foundation for a long-term project and that we've got a very tight window of opportunity that we are working in. We need to get these agreements done. We need to purchase the land for ReVenture and move this thing forward. We want to get our Environmental Impact Statement finished, we want to actually get the permit for this treatment plant, we want to have the land under our control. We want to have the final inter-local agreements with our partners on this and we want to put it on the shelf. When the growth comes back and the economy recovers and the flows start building back up to that blue line you saw, then we want to build it. That is the way we want to manage the project.

Mitchell: Here is what I call the financial questions for me. We have Mount Holly building it, we have Belmont building and they are doing all the construction of this new water treatment plant?

Gullet: Actually if we go forward with this proposal, they want us to do most of the building. They will have contracts and inter-local agreements through us and we are still negotiating the final agreement, but the Memorandum of Agreement that we are talking about would have CMUD building it, but in some cases their money. The details of that are still to be flushed out. We are not that far along yet, but that is generally what we think will take place.

Mitchell: Eventually someone is going to ask me how much the City is investing so I'm just trying to get my arms around it. We will build it with some of their money and here is the big question does this need to be resolved before our budget process in March or it is a discussion during our budget discussions?

Gullet: This is capital dollars that we are talking about and it is capital dollars that we have already programed. The other point I wanted to make today, this is where ReVenture comes in. First of all, we have been working on this concept literally for 30 years, but the timing has never been right. We have been watching the Long Creek Basin, we've been watching things out there develop and this is the sun, the moon and the stars starting to align and we are bringing this thing together. Around 2006 to 2007 is when the economy changed and the sun and the moon got unaligned again. It is going to line back up and the land is available now and it is a good chance that the land won't be available if we don't do something with it now. ReVenture came along during that timeframe. We were working with Clariant before ReVenture was even conceived to purchase this piece of land and to do exactly what we are doing here today. When ReVenture came along, some of their initial proposals were to involve our plant to an environmental benefit. Some of that didn't quite work out the way everybody hoped it would and so where we are right now, we want to move forward with the land purchase and purchase that nutrient allocation, that phosphorus and nitrogen allocation from them that they are no

longer going to use and move forward. The Clariant Plant, the operating part of the plant is up here but they own a lot of land out here. What we are proposing to purchase is 181 acres that sits right here. This is a piece of land that Clariant cleared some years ago for some borrowed dirt. They stole some dirt off it basically and that is where we want to put the wastewater treatment plant, where it has already been disturbed. Our existing pump station is right there and that was designed with the thinking that it would be incorporated into the treatment plant, which is still the plans, it is not wasted money, and we would like to maintain these trees over here on this side. This is the creek running through here *(last slide on page seven).* We want to maintain these trees as an undisturbed area also.

Mitchell: I want to say this while Tom is here. Tom, I really thank you for your patience. I remember having a vision for this project because when I was doing solar panels, Tom had a vision, 24 acres solar farm almost two years ago so we really appreciate your patience Tom and working through this. Barry, this is one disagreement Ms. Mayfield and I are having and I'm okay if you tell me it is in District 3, but what City Council District does this reside in?

Gullet: It is actually in no one's City Council District. This is ETJ, but it is not in the City.

Cooksey: Any implications about this plant getting caught in some sort of flood or anything if sometime later there is a big flood of water in the river? How are those environmental aspects managed, given it is adjacent to the river?

Gullet: This is an improvement over the current situation because Mount Holly Treatment Plant over here is actually in the floodplain if I am not mistaken and this plant will be built high enough up on the hill and at elevations so that it will be protected. I wanted to show you what the land looks like and that it is separated from the other part of the old Clariant Plant up here and this is the new school that is out there and this is the National White Water Center right here. We hope to come back to this Committee in January, and at that point, we expect that Mount Holly will have approved their MOA and we will be asking you all to recommend approval. The last detail that we have to work out with Tom and with the State is everybody is on board with the concept. We need them to make a minor modification to their wastewater treatment permit so that the State is sanctioning this and so that five or ten years down the road when we get ready to build a treatment plant that we've actually got something in hand that we can go back to the State with. State staff is on board; we are working with the attorney's. When Clariant went through this, I think it took them less than 30 days to get that done, a minor process, the way it was handled before so that is what we are anticipating again.

Mitchell: One question of Mr. Kimble, will this be a part of our Delegation breakfast topic so they know it is coming and we need them to move fast or we don't need them engaged?

Kimble: It is state regulatory, not state legislative. It is a regulatory agency and I don't think it would be part of your Legislative breakfast.

Mitchell: As long as we have the local municipalities agreeing we are okay?

Kimble: That is correct.

Cooksey: In some way shape or form if our local Legislators were aware of this kind of cooperation going on for utilities in this area would be a good thing because local area utilities are a topic that the General Assembly is looking at and thanks to our friends in Asheville. While I know from time to time our system gets cited as a very good one and as a model. I don't know, it may be a single line in a welcoming speech to the Delegation, but just something pointing out that regionally we are still very effective in our utilities, might be worth considering.

Gullet: Along those lines, we already have very similar agreements with Union County and with Cabarrus County.

III. Discuss ED Committee Schedule for 2013

Kimble: You have the meeting schedule dates.

Mayfield: I have dates and do we really want to have a meeting on Valentine's Day?

Mitchell: No, we can't meet at noon on Valentine's day.

Kimble: I think the most important question right now is January 3rd. That is Thursday, January 3rd, are you okay with meeting on that date and January 17th? You have a lot of things in the cue. Your SBO, SBE issues. We also need to show you the Focus Area Plan because that is going to Council before your Retreat. There are a lot of things to do in January. I think the question is do you want to vote on this calendar for the year and if you are talking about February 7th meeting and moving it which you will have to do because it conflicts with the Council Retreat, do you want to set a different date and February 14th?

Mitchell: Mr. Cooksey is Vice Chair and he is moving up to the 4th and 5th.

Cooksey: In the Council-Manager Relations Committee today, we talked about perhaps moving the Retreat to the 4th and 5th in light of some issues regarding space and availability.

Kimble: Maybe we will just leave it the way is now and we can change it later.

VOTE: Cooksey made a motion and Mayfield seconded to adopt the ED Committee's 2013 schedule as presented. The vote was unanimous.

Mayfield: I won't be here the first week, I'm on vacation.

Mitchell: You are not here on January 3rd?

Mayfield: No.

The meeting was adjourned at 4:00 p.m.

Economic Development Council Committee
December 3, 2012 at 1:30pm
Room CH-14

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

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. CAROLINA THEATRE – 75 minutes
Staff: Brad Richardson, Neighborhood & Business Services
Action: The Committee will hear presentations from the ARK Group, CMP Carolina Theatre LLC, and Foundation for the Carolinas, and if ready, make a recommendation on the sale and redevelopment of the theater site for Council consideration at their December 17th Zoning Meeting. **Attachments**

II. REVENTURE UPDATE – 15 minutes
Staff: Barry Gullet, Charlotte-Mecklenburg Utilities (CMU)
Action: CMU will update the Committee on the status of agreements that will form the foundation for regional wastewater treatment for the Long Creek basin in Mecklenburg County, Mount Holly, and Belmont as well as the purchase of land from ReVenture. There has been recent progress on these agreements, and CMU anticipates a second presentation to the Committee in January with a request for the Committee to recommend approval of these agreements to Council. No action required.

III. DISCUSS ED COMMITTEE SCHEDULE FOR 2013 – 5 minutes (Attachment)

IV. NEXT MEETING DATE: December 20, 2012 at Noon, Room CH-14
Tentative Schedule:
- SBO Policy Revisions
- Seaboard Street Reimbursement Agreement

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

Economic Development Council Committee
2013 Schedule

1st & 3rd Thursdays at Noon
****Additional meetings will be scheduled as needed****
Meetings will be held at the Charlotte-Mecklenburg Government Center

Meeting Dates

January 3 ***(alternate date January 10 at Noon)***
January 17 ***(alternate date January 24 at 3pm)***

February 7 ***(conflicts with Council Retreat – alternate date February 14 at Noon)***
February 21 ***(alternate date February 28 at 3pm)***

March 7
March 21

April 4
April 18

May 2
May 16

June 6
June 20

July 18 ***(one meeting, Council summer schedule)***

August 15 ***(one meeting, Council summer schedule)***

September 5
September 19

October 3
October 17

November 7
November 21

*****No meetings in December due to pending Committee assignments*****

ARKgroup

Carolina Theatre
Arts & Cultural Center

What The ARK Group will do:

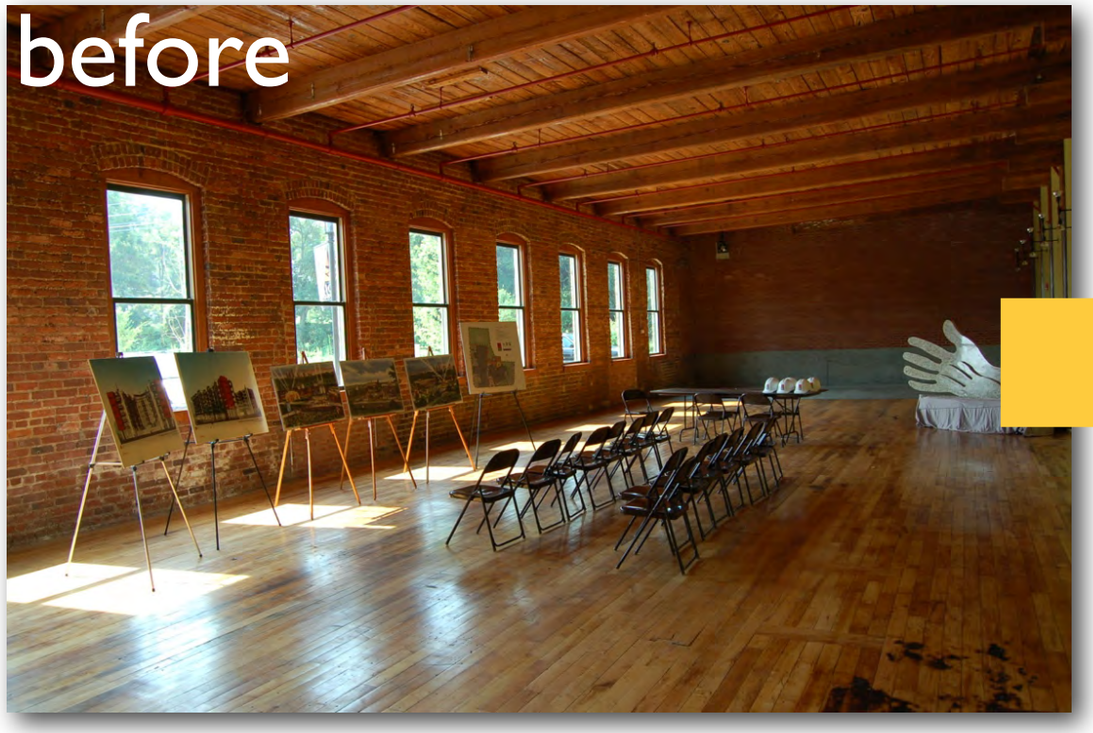
- Reclaim important corner (Tryon & 6th) for uptown landscape.
- Activate a space that once had vibrancy and life and has been vacant for many years.
- Preserve the Carolina Theatre for the benefit of the public.
- Capitalize on air space above theater to maximize utilization.
- Place ALL of the property back on the tax roll.
- Help to activate this block by creating strategic relationships with neighboring hotels and restaurants; Fill hotel rooms and fill restaurants.

ARKgroup

As an experienced developer that specializes in the preservation of historic venues, the ARK Group has a proven track record for successful historic renovation projects. The ARK Group is one of the most experienced development companies in Charlotte.

ARKgroup

The ARK Group has extensive experience both with the Charlotte-Mecklenburg Historic Landmark Commission, the state historic preservation office as well as the US Parks Service that oversees the restoration of historic landmarks. The ARK Group has transformed the NC Music Factory from when it was listed on the national priorities list of hazardous waste sites into beautiful buildings that are now listed on the National Historic Register. For this work the ARK Group was awarded the Preservation Excellence Award in 2009 by Historic Charlotte, Inc.



The ARK Group has successfully taken an uninhabited textile mill and converted it into a vibrant mixed use development that is visited by over a million visitors each year and employs over 1,200 residents of Charlotte. During this conversion ARK has increased the tax value on these properties by more than 1000 percent.

Jazz Performance

Art Exhibit

NC MUSIC FACTORY

ARK Group is uniquely positioned for this project

- Strength of ARK Position
  - Part of Uptown development community since 1993.
  - Prepared to equity finance the project.
  - Existing partnership with Live Nation, the largest diversified entertainment promoter in the world.
  - Prior contract with the City of Charlotte to operate the theatre.
  - Under the prior agreement with the city, the Carolina Theatre Preservation Society selected ARK as their preferred operator.
  - More than 10 years involvement in energizing the Carolina Theatre.
  - Proven track record for taking unused old buildings and making them exciting again.

ARKgroup

Privately Supported Theatre

- ARK Group has extensive experience and will help restore and enliven this block of Tryon Street.
- ARK is open to partnering with non-profits including the Foundation for the Carolinas for civic events, meeting spaces and other non-profit events.
- ARK Group is an experienced developer and theatre operator and is perfectly positioned to lead a successful public/private partnership.

ARK Group is prepared to finance this project to make this dream a reality.

- Traditional financing deals have failed for the property.
- ARK Group privately fund the project and refurbish the theatre in the shortest time frame of all proposals. Work will commence in less than 18 months.
- ARK Group is well capitalized to develop this project.

ARK Group has a track record for successful historic renovation and operations.

- NC Music Factory: 270,000 SF historic renovation that includes more than 40 retail, food & beverage and office tenants.
- Level Miami: Adaptive re-use of 44,000 SF historic theater in Miami.
- Raceworld USA (Michael Waltrip Racing): 120,000 SF adaptive re-use of closed movie theater in Cornelius, NC, NASCAR and Toyota's first race shop. This project is currently the largest employer in Cornelius, NC.

New construction office/retail plan has the potential to move quickly.

- ARK Group has extensive experience in recruiting office and retail tenants and will move quickly to breathe new life into the Carolina Theatre.
- This new construction and the renovated Carolina Theatre will immediately start generating income to the city and the county.

ARK Group Proposal – Two Phase Plan

- Phase One: Animate the park and renovate the Carolina Theatre to current building standards so that it can be used again.

- Phase Two: Develop Office/Retail building that compliments the Carolina Theatre.

ARKgroup

A true public/private collaboration:

Publicly guided and controlled.
Privately funded.

ARK will guarantee the funds to:

- Renovate and open the theatre.
- Sustain operational costs in the future without any public funding now or in the future.

ARKgroup

Phase One: Animate Park and Renovate Theatre

Park Component:

- Work with Arts & Science Council, Foundation for the Carolinas, Charlotte Center City Partners, Hospitality and Tourism Alliance, Visit Charlotte, and other cultural and civic groups.
- Produce events to activate the space
  - Examples: Art Shows, poetry readings, musical dance and theatrical performances.
- The ARK Group will immediately begin this process by meeting with interested individuals and groups that can populate this space and create interactive events for the general public.

Carolina Theatre Component:

- ARK will operate the theatre in a manner which will generate property and sales taxes.

- ARK will guarantee that construction starts no later than 18 months with anticipated opening in January, 2015.

Theatre uses may include:

- Art/Independent film movie house.
- Lectures, town hall meetings, civic dialogues, small performances, and theatre tours.
- Musical, theatrical and dance performances.
- Office, Retail and Food and Beverage.
- Reduced theatre rental rates for non-profits and civic organizations.

ARKgroup

ARK Group will provide a Letter of Appropriateness

- ARK will guarantee that the renovated theatre will receive a Letter of Appropriateness from the Historic Landmark Commission.
- Historic elements including the proscenium stage, balconies, opera boxes and other important aesthetic elements will be identified and preserved in keeping with the character of the original theatre.
- The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
- Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
- Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
- Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
- New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work shall be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
- New additions and adjacent or related new construction will be undertaken in a such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.
- ARK will identify, retain, and preserve the floor plan that is important in defining the overall historic character of the building. This includes the size, configuration, proportion, and relationship of rooms and corridors; the relationship of features to spaces; and the spaces themselves.

Nomination to the National Register of Historic Places

North Carolina Department of Cultural Resources
State Historic Preservation Office
Peter B. Sandbeck, Administrator

Michael F. Easley, Governor
Lisbeth C. Evans, Secretary
Jeffrey J. Crow, Deputy Secretary

Office of Archives and History
Division of Historical Resources
David Brook, Director

December 19, 2007

Mr. Richard Lazes
Fiber Mills LLC
19401 Old Jetton Road STE 101
Cornelius NC 28031

RE: Southern Asbestos Company ills, Charlotte, Mecklenburg County

Dear Mr. Lazes:

It is a pleasure to report that the above-named nomination to the National Register of Historic Places was approved by the North Carolina National Register Advisory Committee at its October 13, 2007 meeting for submission to the U. S. Department of the Interior. The nomination was forwarded to the Keeper of the National Register on December 13, 2007.

When the property is approved by the Department of the Interior for entry in the Register, a certificate will be sent to you. This will require approximately two to three months.

Sincerely,

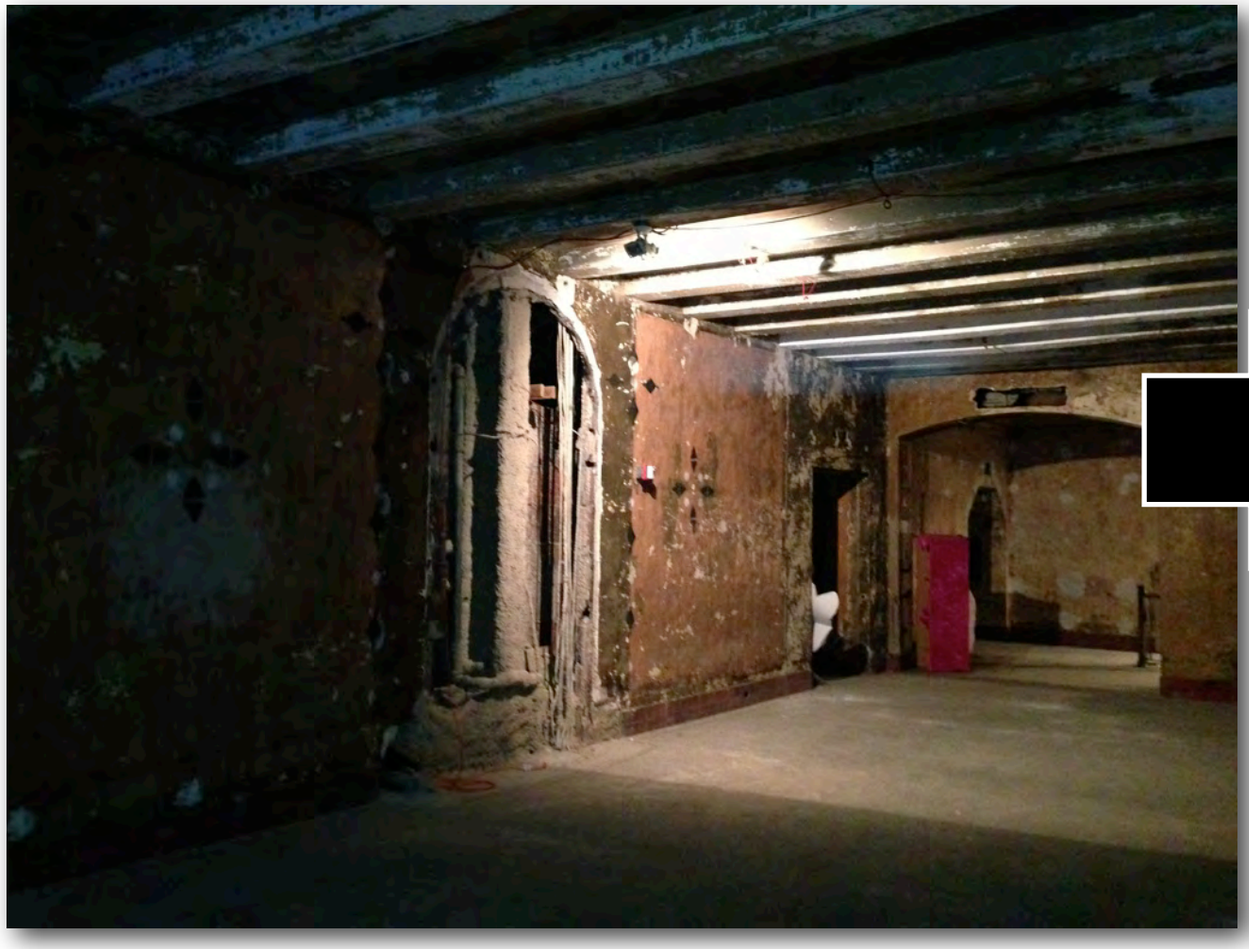
Jeffrey J. Crow
State Historic Preservation Officer

JJC/jct

ARKgroup

ARK's renovation will bring the theatre back to life.

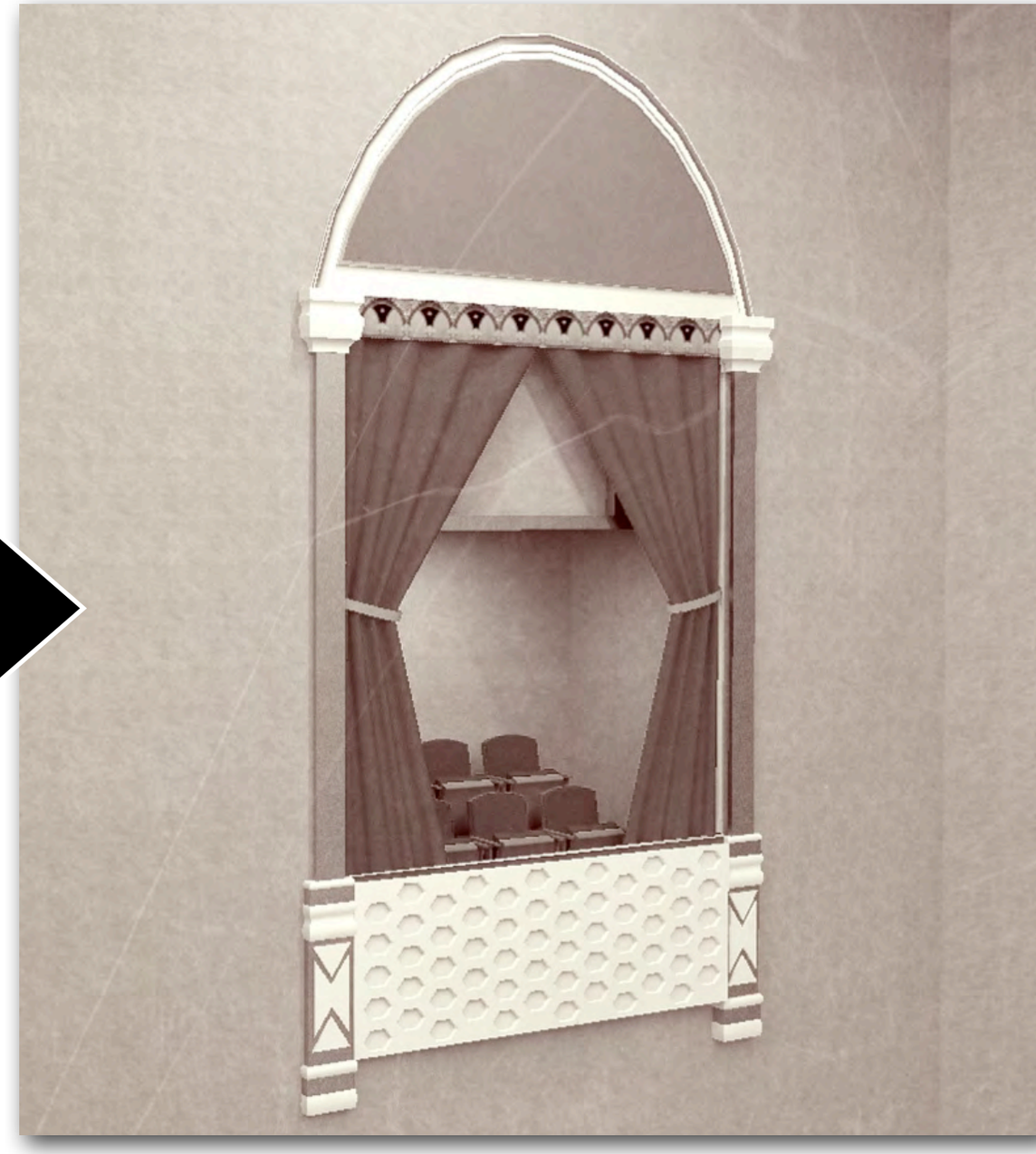
existing space



renovated space

ARKgroup

before

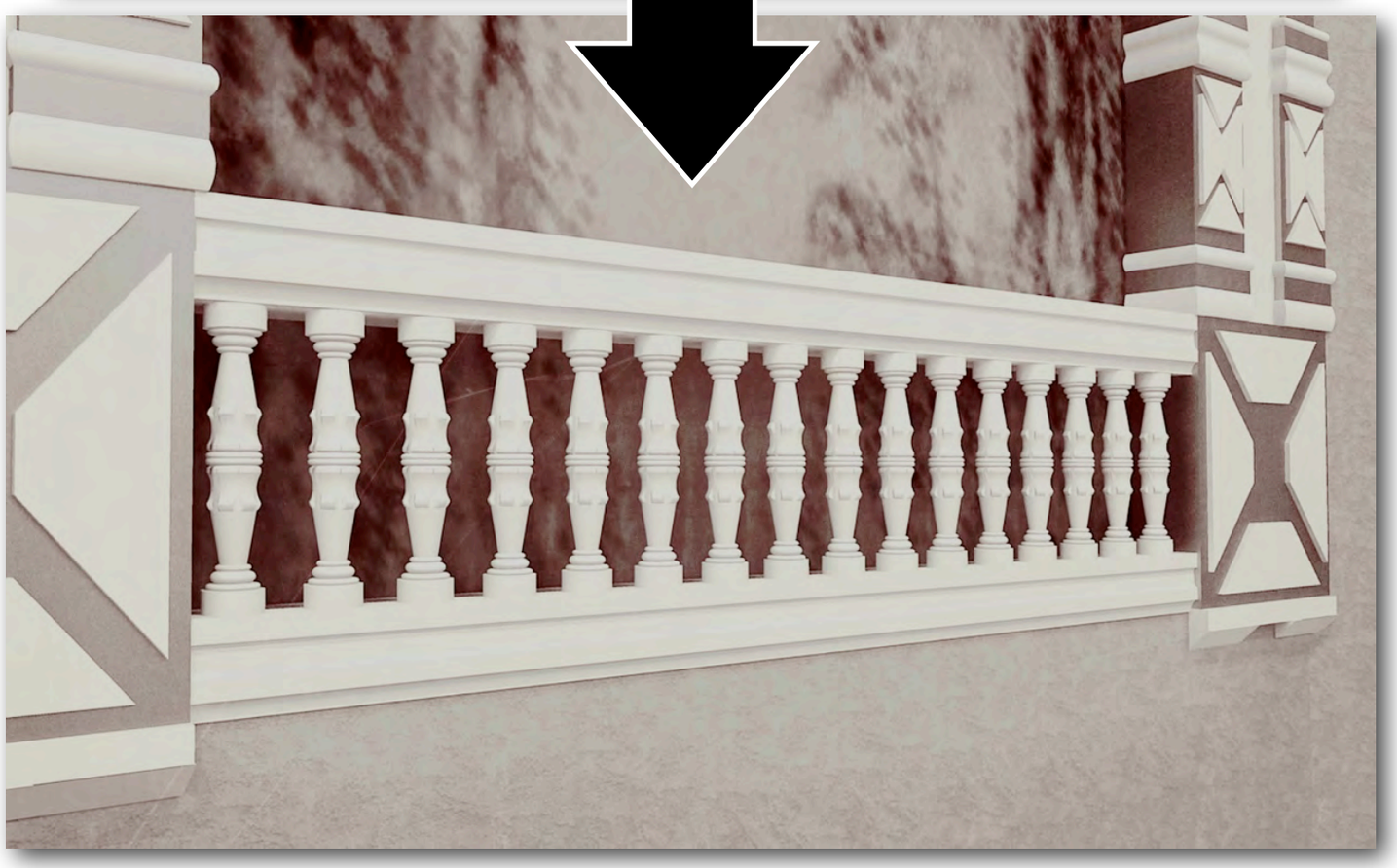


after

ARKgroup

before

after



ARKgroup

before

after

ARKgroup

Sample Calendar

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Silent/Classic Films CTPS	Foundation for the Carolinas meeting	Moving Poets CTPS	Arts & Science Council meeting.	An evening with Sheryl Crow.	An evening of Contemporary Poetry presented by Quinten Talley	Charlotte's Best Magazine: Best of the Best Party
Gone with the Wind CTPS	An evening with Wynton Marsalis	Foundation for the Carolinas meeting	Miles and Coltrane A Q Production	Classical Music Night hosted by WDAV	Actor's theatre presents: KING LEAR	Actor's theatre presents: KING LEAR Wedding & Reception
Waiting for Godot - film CTPS	Jerry Seinfeld	BB KIng and his orchestra	Discovery Place Special Event	Renaissance Art (a lecture)	East Meck High School Reunion	Bonnie Raitt
Charlie Chaplan - silent film CTPS	An evening with Elvis Costello and his band	The Dirty Dozen Jazz Band	The Urban Landscape (a lecture)	Charlotte Music Awards Jazz Showcase	"1964" Beatles Tribute	Comedy for the Cure - benefit for American Cancer Society
Slapstick - silent film CTPS	One Voice Chorus Concert	Herbie Hancock and his jazz ensemble.	Community School of the Arts event	Barber Shop Quartet/Sweet Adeline night	Tosco Music Party	Pieces of Drama Quintet

Sample Calendar

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Silent/Classic Films CTPS	"Steep Canyon Rangers" featuring Steve Martin	Bruce Hornsby	Creative Loafing Best of Charlotte Party	Charlotte Music Awards	Al Moering presents: The Best of Broadway	Tosco Music Party
Silent/Classic Films CTPS	Wells Fargo Private Party	Music with Friends presents: Bob Dylan	Foundation for the Carolinas meeting	Classical Music Night hosted by WDAV	Charlotte Voices CTPS	Wedding & Reception
Silent/Classic Films CTPS	Americana Night featuring Lucinda Williams	Carrot Top	Foundation for the Carolinas meetings	Second String Santa Event	"Shaggin" with Chairmen of the Board	An evening with Buddy Guy
Silent/Classic Films CTPS	Shakespeare Charlotte presents Macbeth	Shakespeare Charlotte presents Macbeth	Shakespeare Charlotte presents Macbeth	Community School of the Arts event	Duke Energy Private Party	Cystic Fibrosis fund raiser
Silent/Classic Films CTPS	Foundation for the Carolinas meetings	Clear Channel Radio Holiday Party	Ringo Starr all star band	Barber Shop Quartet/Sweet Adeline night	"Nothin' but the Blues" featuring Taj Mahal and friends	"Legends" featuring the worlds best tributes to Elvis, The Rat Pack, Rod Stewart and more!

Special Rental Pricing for Non-Profits and Civic Organizations

- The Theatre will be made available for a minimum of 100 events for civic and/or non profit programming. Rental rates for these events shall be limited to the direct cost associated with each event.
- These dates will be administered with input from local non-profit and civic organizations including the Carolina Theatre Preservation Society.

ARKgroup

Community Outreach Coordinator

Pamela R. Lue-Hing

Pamela is the founder, chief executive officer and strategic consultant of Legacy Partners, LLC.
The company partners with clients for strategic coaching and planning, process improvements and personal and professional development.

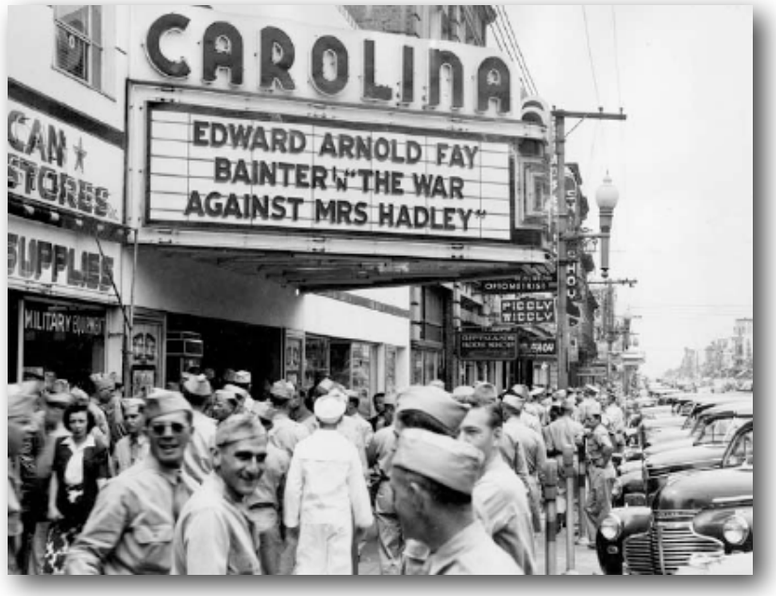
As a strategic business consultant, Pamela shares the insights, tools and strategies she learned from owning several small businesses and working in the corporate sector. She has served the community working for several non-profit organizations where she has developed leaders, created multiple, successful programs and led several collaborations and initiatives.

Phase Two: New Development

Office Tower

Office/Retail Facility

- 12 - 15 floor tower.
- Utilize space in front of/above theatre to develop office/retail/ residential facility.
- Add key retail component to activate the street and theatre entrance.
- Will be occupied by a combination of non-profit and for profit tenants; The NC Music Factory currently houses both non-profit and for profit organizations.
- Privately developed and privately funded.
- Create synergies with surrounding area.
- Help to activate pedestrian traffic on North Tryon Street in turn helping to promote other civic facilities.



The old will become new.

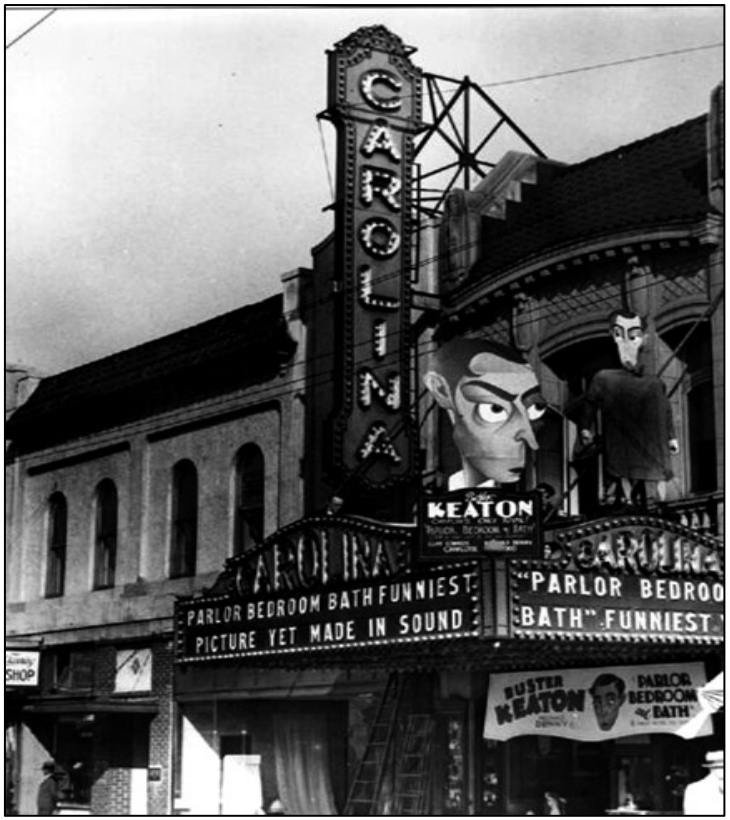
ARK Group's proposal to the city:

- City sells Carolina Theatre property to ARK Group for $500,000.
- ARK Group will pay property taxes on the Carolina Theatre and new development.
- ARK Group and it's tenants will generate sales tax revenue.
- ARK Group will return the theatre to public use.
- ARK Group will develop an office/retail component adjacent to the theatre generating increased real estate taxes to the city and county.
- No TIFF or other financial contribution will be required by the city.
- ARK Group will work with non-profits to assure community involvement and civic participation in the project.

ARKgroup

Thank you for the opportunity
to present to the
City Economic Development Committee

ARKgroup



CMP Carolina Theatre

Proposal for Carolina Theatre

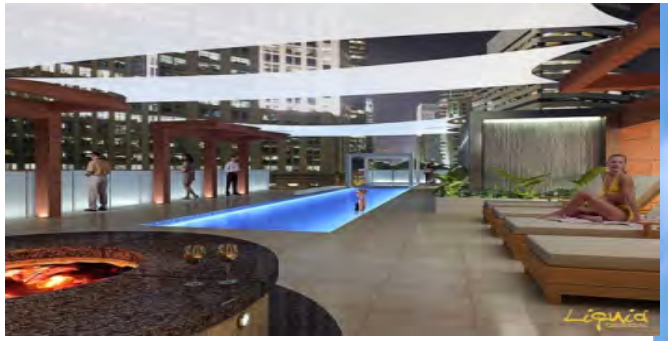
December 3, 2012

Agenda

- CMP Plan
- Basic Background
- CMP Accomplishments
- Why Has the Project Taken This Long?
- Why CMP?
  - Four Historic Projects Within Two Blocks of Tryon
  - Historic Lofts & 600,000 sq/ft Mixed Use Project
- CMP Proposal to City
- Current Dynamic
- Questions

CMP Plan

- Leverage contributions, efforts, discussions, agreements and extensive due diligence to date
- Maintain and pay taxes on the property, effective immediately
- Restore the Carolina Theatre to it's former glory for both public and private use
- A high profile, mixed use building continues to be the best project for the front parcel:
  - Maximize value of the Theatre property
  - Maximize tax revenues to the City
  - Activate the corner of 6th and Tryon tied to several objectives in the Center City 2020 Plan
  - Develop uses that benefit the community and generate activity and life



Basic Background

- CMP's original goal was, and continues to be, to restore the Carolina Theatre and create an appropriate development to activate the corner of 6th and Tryon

- CMP Carolina Theatre had an agreement in place that was created after nearly 2 years of negotiation and cooperation with the City and County

- The Carolina Theatre requires major restoration - A $5.5 million "Arts Grant" was created to help accomplish this restoration

- <u>The previous agreement with the City required CMP to complete ALL pre-work and be ready to break ground ***prior*** to closing on the purchase of the land</u>

- <u>Currently, ALL pre-work with the exception of finalizing financing is completed</u>

- Last year, the City suggested that, given the changed economic circumstances, it would be best for the City and CMP to modify the structure of our agreements so that the Project could move forward quickly and to avoid a long political process.

CMP Accomplishments

- CMP has worked on this project for over 5 years:
  - It took nearly 2 years of cooperation and negotiation to create an agreement and partnership with the City and County, and third parties.
  - An additional 3 years of work have gone into preparing the property for development
  - CMP has repeatedly proven that it is dedicated to this Project.
  - In contrast, despite the opportunity to do so, FFTC and ARK have only become energized about the project very recently

- CMP has, in good faith, spent approximately <u>$2 million</u> on development/architectural:
  - <u>Complete</u> architectural plans, construction plan and detailed budget for a 20 story tower have been developed
    - These plans may be repurposed for any type of building use
  - <u>All studies</u> have been completed (i.e. Environmental, Soil, Structural, Legal)

CMP Accomplishments

- Since the last extension:
  - Secured commitment for 1st / 2nd floor tenant (restaurant on ground floor; offices on 2nd floor)
  - Commissioned an updated feasibility study that verifies viability of project
  - Secured commitment from additional operator for the Theatre

- CMP has completed detailed analysis and studies on alternative configurations in the event the Project needs to be modified due to market conditions:
  - Mixed use office building (restaurant / retail on ground floor)
  - Boutique hotel
  - Luxury condos (car elevator)

Why Has the Project Taken This Long?

- The recent economic climate made it impossible for CMP, or any other group, to move forward on this specific type of project
- Financing has not been readily available, but conditions have improved
- The development structure negotiated with the City was difficult, but workable, in a stronger economy. The current economy has made such a structure unworkable
  - The previous structure made it impossible to secure financing in this economy
  - Any group needs clear ownership of the property to move forward
- The development of the front parcel is complicated by the Theatre preservation required by the city, but CMP has always agreed to assume this burden
  - Limited footprint for new building
  - Limited ability to build over Carolina Theatre
  - Creates need to go vertical and high-end

Why CMP?

- CMP has always been committed to the restoration of the Theatre and for creating a world-class project on this Property
- CMP has progressed further and spent substantially more money and time than any other group ever has to ensure the future of the Carolina Theatre
- CMP has been indispensable in ensuring that the Carolina Theatre has survived since 2005
- CMP's substantial due diligence to date, provides the ability to accomplish the Project <u>much</u> more quickly than any other group
- The Carolina Theatre site is very complicated and requires the knowledge and expertise that CMP has gained over 5+ years

Why CMP?

- CMP has significant vested interest in the success of the Project
  - CMP has over $2 million in hard cash invested to date
  - CMP has worked on this project for 5+ years
  - CMP has worked diligently to protect the Theatre since 2005

- CMP has always had a civic component to our approach. We are not simply creating the most profitable project
  - CMP has spent great efforts to enter into agreements with the City & other parties to ensure civic uses would have a real place in the future of the Theatre
  - CMP willing to work toward partnership with FFTC and any other civic groups to ensure the accessibility of the Theatre to as many people as possible.

Why CMP?

- A significant amount of work has already gone into the requirements for the restoration of the Carolina Theatre
  - A standard for the restoration of the Theatre has been established and well defined as part of the previous agreement
  - CMP has already worked extensively with the County and the Historic Landmarks Commission to ensure that the building Façade protected by the HLC would be safe and could be incorporated into the new building
    - Historic Landmarks Commission is the body that will provide the required “letter of appropriateness”
- CMP has no conflicts or limitations and does not need to prevent competition with Live Nation at the Music Factory
  - This type of conflict does not lead to the best outcome for the Theatre

Why CMP?

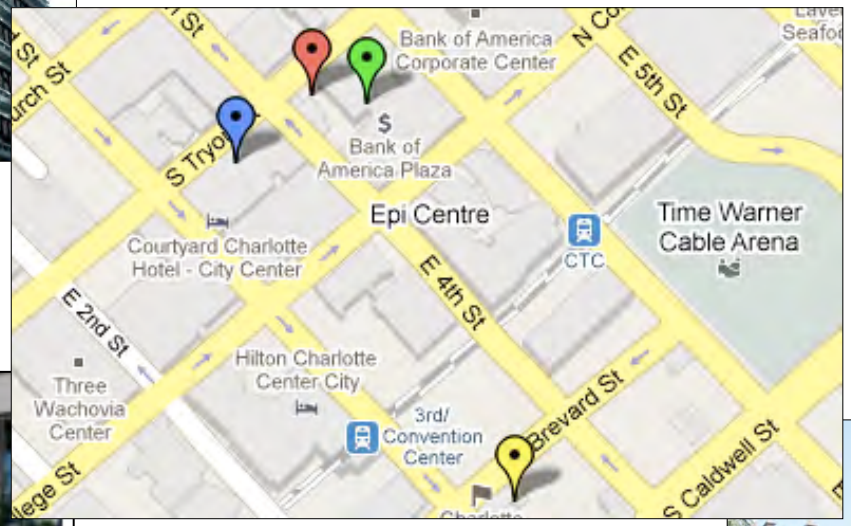
- CMP has significant historic preservation expertise, experience and a track record of success:
  - In the past 5 years, our partners have gotten two very difficult projects on the National Historic Registry and two additional properties on the local historic registry. All of these project are on Tryon St. or within two blocks of Tryon
  - Our partners have completed successful historic redevelopment in Knoxville, TN and are in the process of closing on and preserving a 600,000 sq/ft historic mill in Gastonia, NC (largest mill in the south)

Four Historic Projects Within Two Blocks of Tryon

Trust Condos / Chima

- Properties located in center of downtown
- All premiere, highly trafficked addresses
- Located on Tryon or within 2 blocks of Tryon

Grace AME Zion Church



Emerson Joseph Bldg.

Mecklenburg Investment Co. Bldg.

Historic Lofts & 600,000 sq/ft Mixed Use Project

Before

Sterchi's Lofts
Knoxville, TN

After

Loray Mill
Gastonia, NC

CMP Proposal

- As payment for the outright sale of the Property, CMP proposes:
  - The City will retain $250,000 good faith deposit
  - CMP will pay an additional $250,000
  - As further consideration for this purchase, CMP agreed to forego the original $5.5 million participation by the City and County in the restoration efforts
- CMP will honor the agreement made with the City in the Fall of 2011 and take the Property subject to all original agreements with the City regarding the significant restoration and use of the Theatre
  - As requested by the City, the final design would be subject to a letter of appropriateness from the Historic Landmarks Commission
- Development expected to be fully complete within 5 to 7 years

CMP Proposal

- CMP willing to work toward partnership with FFTC
- If CMP partners with FFTC, CMP, as the partner with development experience and greater knowledge of the Property, would be best suited to own the Property
- CMP has demonstrated its comfort with, and commitment, to this type of public / private / non-profit partnership

Current Dynamic

- CMP did not expect the current dynamic:
  - November 2011, CMP met with the City Manager's Office to come up with the best path forward for the Carolina Theatre project
  - Based on direction from the City Manager Staff, CMP agreed that, given the changed economic circumstances, that it would be best for the City and CMP to modify the structure of our agreements so that the Project could move forward ASAP
  - In exchange for a new agreement, CMP let the previous deal expire, forfeiting the $5.5 million in grants, $250k deposit paid to the City as well as other incentives from the City and County
  - This new accepted agreement provided CMP an exclusive negotiation period and the opportunity to individually present to City Council for final vote, with a promise from the City Manager's office that we will come to an agreement together

Current Dynamic

- CMP did not expect the current dynamic:
  - The $250k funds were a substantial good faith deposit and were not provided to “lock up the property”. This $250k was intended to be repaid to CMP as part of the restoration of the Theatre
  - The City entered into discussions with FFTC during the exclusive period with CMP
  - Despite CMP providing a specific proposal, the agreement between CMP and the City Manager’s office was not honored
  - As CMP indicated during development of the original Project structure years ago, we have been, and continue to be open to working with FFTC to find a path forward that is beneficial to CMP, FFTC, and the Theatre

Questions

FOUNDATION FOR THE CAROLINAS

Carolina Theatre Proposal

December 3, 2012

The Vision

- A revitalization of 2 - 3 block area of 6th & Tryon Streets
- Renovate & activate Carolina Theatre as a signature element
- Develop a unique boutique office building
- Leveraging momentum of 230 North Tryon project
- Foundation spearheads a comprehensive campus plan for the entire 6th/Tryon area

The Proposal

- FFTC leads development of 230 North Tryon Street
- Development includes mid-rise office tower & Carolina Theatre
- FFTC raises dollars for restoration of Carolina Theatre
- Carolina Theatre owned by FFTC as a non-profit
- Operator hired to manage scheduling & daily operations
- Theatre used for mix of civic & art entertainment purposes

The Proposal

- FFTC would partner with a developer to build office tower
- Developer would own the tower
- Office tower would be placed on Charlotte's tax roll
- Target tenants for office space
  - civic & private sector enterprises
- Retail/restaurant element included as part of key 6th & Tryon Street corner

5

Carolina Theatre

- Committed to Historic Landmarks Commission standards to receive a “Letter of Appropriateness”
- Save & preserve elements creating look & feel of 1920’s
- Modernized for today’s code and comfort standards
- Design committee to inform Theatre decisions
  - City Council appointee
  - Carolina Theatre Preservation Society representative
  - FFTC representative
  - Developer
  - Operator
- Hire a theater restoration consultant to advise the process

6

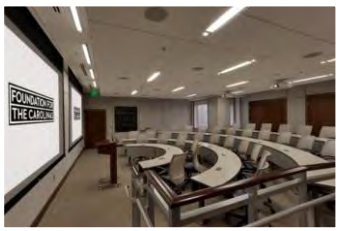
Foundation Background

- Established 1958
- Public charity, endowed to exist in perpetuity
- Governed by a volunteer Board of Directors
- Just shy of a billion dollars of assets
- Staffed by professional team
  - PhD, JD, CPA, CFP, MBA
- Received charitable gifts of $201 million in 2012
- Distributed $117 million in 2012 grant awards
- Offices adjacent to Carolina Theater
  - 220 North Tryon Street

Track Record

FFTC's Center for Philanthropy

- $12 million raised for renovation
- 60% dedicated to public space
- Conference rooms free to non-profits
- 450 events/mtgs in peak months
- Historic Charlotte 2012 Award
- 2012 Excellence in Construction Award



Track Record

Carolina Theatre Park

- FFTC vision
- Partnership with City
- Executed in 45 days
- Changed face of this corner
- Adored by public
- $76,000 FFTC investment
- $30K for lighting to come

Track Record

Levine Center for the Arts

- Spearheaded talks w/ Wachovia re: project vision
- Crafted & pitched original concept proposal to City
- Brokered Bechtler/City/Private sector collaboration
- Raised $56 million of $83 million private sector campaign

Track Record

Project L.I.F.T.

- Educational vision for 7,500 West corridor students
  - Goal: 90% graduation rate in 5 years
- Spearheaded $55 million campaign
- Key funding & strategy partners brought to the table
  - Levine Foundation
  - Wells Fargo
  - Spangler Foundation
  - CMS
  - Bank of America
  - Duke Energy

Project L.I.F.T.
Leadership and Investment for Transformation

Track Record

- Partnered with Bank of America on design & construction
- Developed business plan
- Raised $7 million endowment

- Negotiated Bechtler collection gift
- Smith lead project consultant
- Develop of financial strategy

Partnership Engagement

- Strong partnerships a hallmark of FFTC's work
- Neutrality of non-profit status allows FFTC to convene across sectors
- Strength of reputation
  - Guarantees access & provides entrées
- Experience working with City & County
- Long standing community relationships
- Developers anxious to partner with FFTC
- Key partners already part of the dialogue
  - Library, Discovery Place, NC Blumenthal, Chamber, ASC

Timing

- No intention of dragging our heels
- Work on 230 North project will begin immediately
- FFTC seed funding set aside for 2013 work
- Initial civic campus partners on board
- Project moves w/ developer tenant commitments
- Civic tenant scenario puts project on fast track
- Outside timing for project 3 to 5 years

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Contractual Agreement

- FFTC will not come back for funding from City
- Office Tower placed on City's tax roll
- City Council appointee on design team
- Carolina Theatre renovation will adhere to historic landmark guidelines to achieve a "letter or appropriateness"
- FFTC will assume maintenance expenses associated w/ upkeep of Carolina Theatre Park

16

What the City Gets with FFTC

- Clear vision and bigger picture
- Partner who can pull off larger campus concept
- Strength of FFTC's reputation
- Organization pursuing best interests of community
  - It's what we do day in and day out
- Experience with complex civic projects
- Strong, established relationships with
  - City & County Governments
  - Foundations
  - Corporate Sector
  - Non-profit Sector

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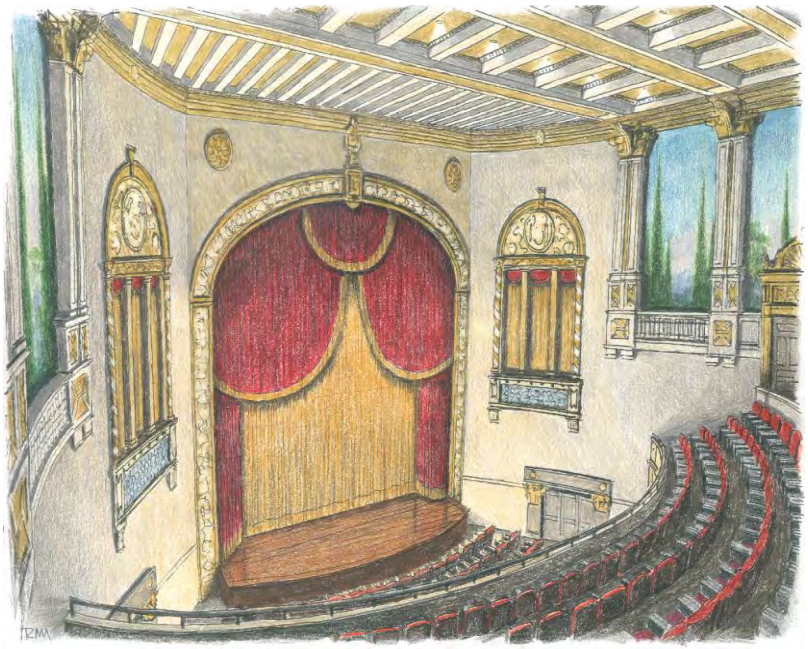
What the City Gets with FFTC

- Ability to convene partners across sectors
- Depth of resources at fingertips
  - Financial, community & volunteer brain trust
- Philanthropic contributions into funding mix
- Opportunity to leverage adjacent property
- Brings the best opportunities

Ultimately,
a vision and project that will
yield better return for community

18

Thank you for the opportunity to present our proposal to the Economic Development Committee



Questions

230 NORTH TRYON STREET PROPOSAL

FOUNDATION FOR THE CAROLINAS

FOUNDATION FOR THE CAROLINAS

Luski • Gorelick
Center for Philanthropy

220 North Tryon Street
Charlotte, NC 28202

Phone: 704.973.4500
Toll Free: 800.973.7244
Fax: 704.973.4599

www.fftc.org

November 29, 2012

Hon. James Mitchell
Charlotte City Council
City of Charlotte
600 East 4th Street
Charlotte, NC 28202

Dear Councilman Mitchell,

It is with great pleasure that Foundation For The Carolina submits the attached materials for consideration by the Charlotte City Council's Economic Development Committee (EDC). Enclosed for your review are the following items:

1) Q & A document clarifying items related to the Foundation's proposal and addressing questions that have emerged during the Committee's RFP process.

2) A copy of the Foundation's May 2012 proposal. We are confident that our initial proposal targets the appropriate strategy for the 230 North Tryon site, so this proposal remains consistent from our original submission.

3) Artist renderings depicting views of the Carolina Theatre hall and an exterior view of the office building.

4) Partner letters from the Arts & Science Council, Charlotte Mecklenburg Public Library, NC Blumenthal Performing Arts Center, Discovery Place and Charlotte Chamber of Commerce.

5) FFTC's December 3rd PowerPoint presentation for EDC

6) FFTC Fall Newsletter and 2011 Annual report

Thank you for your consideration of our proposal. We remain enthusiastic about our vision for the 230 North Tryon Street/Carolina Theatre project and confident the Foundation can execute a project the will be transformational for the 6th and Tryon Street block.

Kindest personal regards,

Michael Marsicano
President

FOUNDATION FOR THE CAROLINAS

Carolina Theatre Proposal Question & Answer

1) What's the Foundation's interest in the 230 North Tryon Street project?

Foundation For The Carolinas envisions the redevelopment of real estate bordering 6th and North Tryon Streets into a unique Civic Campus. This big picture concept will maximize return to the community with a more robust project in service to the citizens of Charlotte. The Foundation is uniquely positioned by its contiguous property interests and by its exemplary track record in convening cross sector partners required to execute the vision. The 230 North Tryon property and renovation of the Carolina Theatre will serve as signature features for the overall campus concept already begun with the recently opened Center For Philanthropy.

2) Why does the Foundation want to renovate the Carolina Theatre?

The Foundation would like to see the Carolina Theatre returned to community service. We have very few historic buildings left in Center City Charlotte and we would love to see the beautiful bones of this Theatre preserved with its stage brought back to life. As the property's adjacent neighbor, we are the natural partner to make this happen. More than any other institution, the Foundation has a vested interest in seeing this project developed and maintained in a spectacular fashion.

3) What would be the proposed uses for the Carolina Theatre?

The Carolina Theatre under the Foundation's proposed plan would have numerous uses. We see it actively utilized by civic and cultural organizations, the non-profit and for profit tenants within the site's office tower and the natural convening space for groups utilizing FFTC's 17 conference and board spaces. This usage would include lectures, symposiums, speakers, town hall meetings, debates and panel discussions. Entertainment options such as film, chamber music, jazz ensembles, and theatre reading would be mixed with more civic use to ensure the space is actively used and becomes a true community space.

4) Will the plan proposed preserve the architectural history and integrity of the Theatre?

The Foundation is committed to meeting the standards necessary to receive a “Letter of Appropriateness” from the Historic Landmarks Commission, and as needed commits to exceed these standards to ensure the Carolina Theatre is renovated in a manner that saves and replaces the elements that give the Carolina Theatre the character and grandeur of its day. Additionally, a seasoned historic theatre preservationist will be contracted to join our design team to ensure these standards are met and to advise the Foundation on how they may be best achieved.

5) Where will the financial resources come from to pay the capital improvement costs for the Carolina Theatre?

The Foundation intends to leverage the gift of real estate from the City into a philanthropic campaign to support the renovation of the Carolina Theatre. The campaign will solicit individuals, corporations and local family foundations. Our grant writing team will submit grant requests to national foundations as well. We believe the Carolina Theatre is more attractive to the donor community today than it has been in the past for the following reasons. First, the stunning renovation of the historic Montaldo's building into our City’s new Center for Philanthropy has awakened interests from the philanthropic sector in the adjacent Carolina Theatre property. Second, the Foundation’s new civic vision for the Theatre, not solely arts and entertainment has become attractive to funding sources.

The concept of a "hybrid" theatre dedicated to civic purposes during the week, arts/entertainment on weekends and working in tandem with our Center for Philanthropy brings the Theatre to life in a new and refreshing way that will garner contributions. The Foundation's proposal has opened up new possibilities for the Theatre that do not overstate the Theatre's stage capabilities, yet play to the Theatre's potential, matching the venue with a legitimate hybrid model that works. Donors will be attracted to the Foundation's proposal and we eagerly await the opportunity to launch a fundraising campaign.

6) What track record does the Foundation have in securing significant philanthropic dollars for civic purposes?

Foundation For The Carolinas is Charlotte's community foundation with assets just shy of $1 billion. Philanthropic gifts made to the Foundation during calendar year 2012 to date total $201 million and grant dollars awarded from the Foundation to charitable causes in this same time frame total $117 million.

Foundation For The Carolina's has an excellent track record in raising dollars for civic endeavors. Recent efforts have included receiving over $55 million in philanthropic gifts supporting Project LIFT, a collaborative program designed to improve graduation rates in the West Charlotte High School corridor of public schools. The Foundation is celebrating its first year anniversary in its new headquarter facility (Center for Philanthropy) at 220 North Tryon after having secured $12.8 million for the renovation of the historic Montaldos facility. Also, Foundation representatives spearheaded requests that resulted in approximately $56 million of the $83 million raised from private sector sources towards the cultural complex now named the Levine Center for the Arts.

The Foundation is well regarded in the philanthropic community and holds a position of high trust among family and corporate foundations. In cooperation with several other philanthropic partners the Foundation has raised substantial resources in service to public good.

7) Why hasn't the Foundation offered to purchase the property from the city for more than one dollar?

The Foundation supports the highest possible renovation of the Theatre in service to the citizens of Charlotte. Through philanthropy the Foundation has the ability to accomplish this objective in a way that neither of the competing proposers can touch. Any funds we might divert from the renovation expenses to the purchase of real estate from the City will lessen the quality of the end product. We believe the $500,000 purchase price offered in competing proposals likely translates into spending $500,000 less on the renovation costs of the Theatre.

The Foundation maintains that every available charitable dollar for this project should be used to maximize the Theatre renovation possibilities. Since the property is valued at between 4 and 7 times the purchase offer of $500,000, the City would receive a token

purchase price at best. We believe these dollars are more meaningfully deployed in support of the highest quality Theatre renovation.

8) Will the City be asked to support the Theatre renovation with public dollars?

No, the Foundation will not request public dollars from the City to support the renovation of the Theatre. The City is making a significant contribution to the project by donating the real estate. We understand it is valued at between $2 million and $3.6 million. This public contribution will be received most favorably by individual and corporate contributors who are eager to continue the public-private partnership tradition which has distinguished Charlotte's civic life. Accordingly, The City will be recognized for a contribution of this magnitude on the recognition signage within the renovated Theatre along with other major contributors to the renovation effort. Again, there will be no future requests for financial support from the City Council. The Foundation is willing to place this understanding in a contractual agreement with the City.

9) Who will operate the Theatre?

While the Theatre property will be owned by the Foundation, its day to day operations will not be orchestrated by the Foundation. The Foundation will work in conjunction with an experienced operator to book and manage the Theatre hall. There are multiple operators that could function in this role.

With Spirit Square one block to the North and the Belk and Booth Theaters one block to the South, it may prove highly cost effective to partner with Tom Gabbard and his team at The North Carolina Blumenthal Performing Arts Center to operate these three adjacent venues. Given the ARK Groups interest in the property it might be advantageous for them to operate the facility. We are open to both these partners and other viable partners with equivalent track records. The Foundation believes the Carolina Theatre deserves the best operator and any collaboration will be thoroughly vetted and designed to benefit the Theatre’s needs. We will ensure that the civic utilization is not compromised by an operator who will weigh more heavily on the need for profit or one who is mission driven towards arts and entertainment alone.

10) Who will own the Theatre?

We believe it is in the best interest of the Theatre for ownership to remain with the Foundation. The Foundation can ensure that a hybrid civic/entertainment model is maintained and programming of the Theatre is balanced. We believe this balance is in the best interest of the Theatre and best serves the citizens of Charlotte-Mecklenburg. Under the Foundation's auspices, the Theatre's civic programming for the Theatre would not be circumvented due to profitability needs. Additionally, as a non-profit housed within the Foundation's umbrella, the Theatre would avoid the threat of being shuttered if it is not profitable or falls in disrepair due to neglected infrastructure investments. Foundation For The Carolinas has permanently endowed assets; we will be in service to the city of Charlotte forever.

11) Will the design process for the Theatre renovation involve community input and will the City Council have a role?

Foundation For The Carolinas has a robust history of involving the citizens of Charlotte in its community initiatives and plans to build on this tradition with the renovation and usage of the Carolina Theatre. It is our intention to put together a design team of volunteers and professionals to guide the process. We are committed to an historic theatre preservationist on the team and we believe it is in the best interests of our citizens to place a City Council member on the design team and we would agree to do so in the final written agreement between the City and the Foundation.

Also, we believe there is much to be learned from the good work over the years of the Carolina Theatre Preservation Society which has kept the flame alive for a long time. We would be equally pleased to place a representative from the Society on the design team. Other key players would be appointed as the partnerships are developed.

12) What are the Foundation's plans for the property in front of the Theatre on North Tryon Street?

The Foundation envisions a mid-rise office complex that would house as its primary tenants other civic organizations as well as innovative and entrepreneurial for profit enterprises, creating a complex that could build on the civic activity already occurring on the block between the Library, Discovery Place and The Foundation's headquarters. Civic tenants would benefit from the on-site auditorium space created from the Carolina

Theater and the Foundation would leverage its exiting conference space to the benefit of these organizations. The Foundation would partner with a private developer on the development of the property and this part of the site would be returned to Charlotte's tax roll.

The Foundation has been approached by several developers with interest in partnering on the project including CMP Carolina and ARK. We believe we have a unique vision for the overall project and we look forward to working with a developer partner that shares our vision for the community, respects our role in the project's larger development and is open to forgo a portion of their potential profit to create a truly unique one-of-a kind facility. We plan to dream big for this building, as we did for our current headquarters, and we want a development partner that shares this vision. The Foundation will bring the best developer match to the table.

13) What is the projected timeline for the Foundation's proposal?

Not unlike the other proposals, we believe the likely timeframe for the project's completion is the three to five year time horizon. The Foundation believes this time frame will see an improved economy thereby maximizing potential opportunities with developers, office tenants, theatre user groups and philanthropists interested in making donations to the effort.

That being said, the Foundation would begin planning, establishing working committees, recruiting a development partner, lining up tenants and pursuing fundraising efforts for the Theatre as soon as the property is transferred to the Foundation. To this end, the Foundation has set aside seed funding in its 2013 budget to facilitate the work. The Foundation is committed to breaking ground as soon as feasible. If components aligned more quickly the project would move forward on a more accelerated timeline.

14) The pocket park in front of the Theatre recently developed as collaboration between the City and the Foundation has become very popular. What will ultimately happen to the park?

The pocket park/sculpture garden was conceived by the Foundation and implemented with shared costs in partnership with the City of Charlotte. To date the Foundation has put $76,000 into the pocket park. We plan to spend an additional $30,000 on the park for lighting amenities should the City Council decide to transfer title of the property and

the Carolina Theatre to the Foundation. The pocket park will remain a public amenity until the redevelopment of the corner. Maintenance of the park will be taken over by the Foundation and will no longer be an expense to the City.

None of us could have foreseen the popularity of the pocket park. To accommodate this interest in center city pocket parks, the Foundation is exploring options for incorporating a public green space element into the overall design of the project at a site above street level.

15) Has the Foundation considered a joint venture with ARK Group or CMP Carolina Theatre, LLC?

Foundation For The Carolinas is very respectful of the development track record of these potential partners and has had conversations with both parties. At the same time, the Foundation has been approached by several additional real estate developers for the Office Tower piece. It is in the best interest of the City, the Foundation, and potential tenants that we select the developer who brings the most to the opportunity at hand. ARK Group or CMP Carolina Theatre LLC may emerge as the best option but that is not yet known and will not be known for several months. It will take this time to analysis the opportunities before us in detail.

16) Will property taxes be paid on the redeveloped real estate?

The Carolina Theatre itself will not be on the tax rolls since it will be operated in the civic domain. However, the Office Tower in front of the Theatre will be on the tax rolls and pay City property taxes. This point could also be included in any written agreement with the City Council.

17) How does the renovation of the Theatre and the development of the property in front of the Theatre relate to the adjacent property owned by the Foundation?

If the Foundation is selected to develop the Carolina Theatre site, we would like the 230 North Tryon property physically connected to the Foundation's existing facility. We see a clear opportunity at the lobby ground floor area and an opportunity to connect at one of the Foundation's upper floors. This connectivity would allow the Foundation's existing lobby/reception area and conference spaces to be leveraged to the benefit the

230 North Tryon development and tenants. In fact, the gallery in the Center for Philanthropy could be opened up for theatre audiences with doors between the two properties for enjoyment during intermissions.

18) Does the Foundation's vision for a Civic/Thought Leadership Campus include other properties on North Tryon Street?

Yes, the Foundation would launch a planning process that would engage uptown institutions, City planning staff, elected officials and surrounding property owners to further explore and flesh out the creation of a signature project for this corner and the adjacent blocks. The Foundation has already reached out to the Arts & Science Council, the Charlotte Chamber of Commerce, Discovery Place, Charlotte Mecklenburg Library and Spirit Square. Each of these partners is interested and ready to engage in planning process to explore the possibility of a civic campus anchoring the 6th Street area section of Tryon Street.

19) Why is it in the best interest of the City to select the Foundation's proposal over competing opportunities before the City Council?

As the adjacent neighbor to this site, no one has a greater vested interest than the Foundation to ensure that the site is a compliment to the surrounding neighborhood, a landmark for Tryon Street and an additional destination for Charlotte's uptown.

Where traditional financing scenarios have failed this property, the Foundation brings a new financial picture**.** As a non-profit, the Foundation approaches the project with no profit motive and has the ability to bring philanthropy to the table to assist with the renovation of the Carolina Theatre.

As a permanently endowed charity managed by a self-perpetuating Board of Governors, the Foundation is not going anywhere. Even if the larger office building is bought or sold over the coming years, the Foundation presence and support can be constant for the Theatre ensuring its best interests through the decades. Regardless of ARK and CMP's current expertise and financial position, they can't make this long-term assurance on behalf of the Theatre.

Proposal To

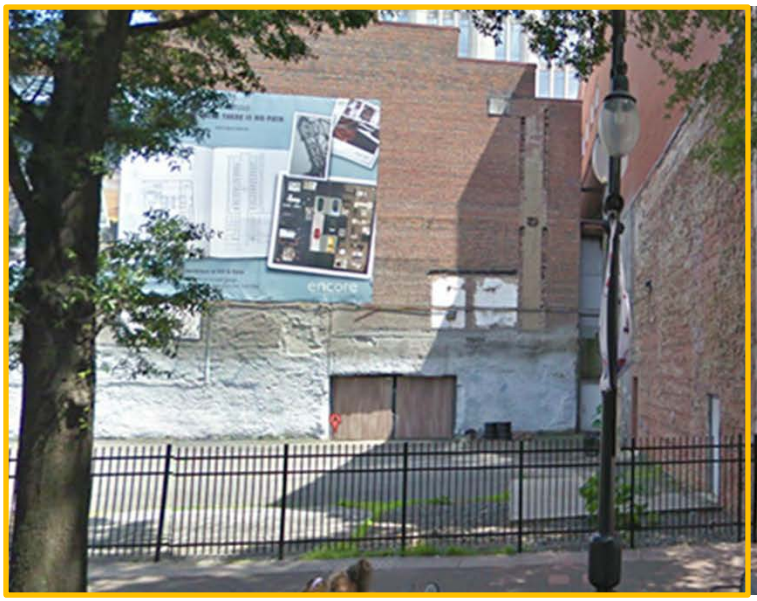
The
City of Charlotte

For The
230 North Tryon Street
Property

220 North Tryon Street
Charlotte, NC 28202
May 2012

The Foundation For The Carolinas (Foundation) respectfully requests that the City of Charlotte consider a proposal for development of the 230 North Tryon Street property (230 North). The property is located at the corner of 6th and Tryon Streets and is the site of the abandoned Carolina Theater. As the adjacent property owner, the Foundation has a vested interest in seeing the Theater Property returned to viability and alive with activity. The Foundation presents the following concept proposal as a strategy to bring the property back in service to the community with short and long term solutions.

230 North Tryon Street
Carolina Theater



220 North Tryon Street
Foundation For The Carolinas

The Opportunity

230 North sits on an important corner in the uptown landscape, but has been inactive for the last 33 years. The opportunity for the community is to see the site reactivated for public use. The Foundation would like to acquire the property to preserve the Theater for civic use, capitalize on the airspace above the theater and partner with the property owners (Historic, Dunhill, Discovery Place, Library/Spirit Square) occupying the other corners at 6th and Tryon to animate the full block. We would love to see this intersection as a Civic Campus that would book end the North Tryon area much as the Levine Center for the Arts and Duke Energy Tower bookend South Tryon.

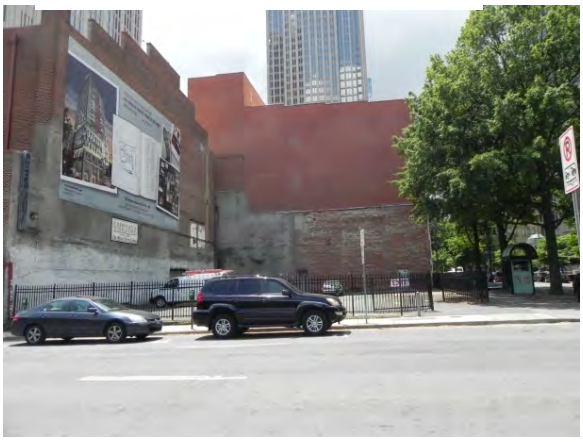
The Challenge
There is no doubt the 230 North Tryon property is a challenge, and will remain a challenge as long as the restoration of the Carolina Theater is a required component of the property's redevelopment. The small site and positioning of the Theater limits options available for the site. The puzzle is complicated further when you consider adding parking or plans to build above the Theater. The bottom line is numerous developers have looked at the property over the years, and even at the height of the real estate market a deal did not get done. Without question, the property could benefit from a financial perspective that is not driven solely by a profit motivation. As a non-profit, the Foundation does not have market driven requirements and has the ability to bring philanthropy to the table as part of its financial picture. We offer an alternative financial package to help get this site developed and the Carolina Theater renovated.

The Foundation's Plan

The Foundation proposes a three phase development strategy for the 230 North site.

Phase One would be initiated immediately by the Foundation and addresses the open lot in front of the Theater. This portion of the site is an eye sore and a real blight to the Tryon Street landscape. Images below show the current condition of the property.

View from Uptown Library



View from Discovery Place

Phase one is a beautification and greening of the vacant lot portion of the 230 North Tryon site. The Foundation would turn the corner into a pocket park, including landscaped plantings, meandering walks, welcoming benches and outdoor sculptures gifted and loaned by Sonia and Isaac Luski. The goal is to return this piece of the site immediately to public use and complete this construction prior to the Democratic Convention this Fall 2012. Below you will find artist renderings which reveal the potential of this site as a temporary park.

Discovery Place View of Proposed Park

Uptown Library View of Park

Phase Two would build on the momentum of Phase One's beautification focus. This phase of the plan would focus on activating the park space, so local Charlotteans, visitors and the downtown workforce are drawn to the space. This activation of the site will help ensure the park remains welcoming, accessible and safe. The Foundation would work in conjunction with Charlotte Center City Partners to find appropriate programming for the park area. Preliminary discussions included opportunities for seasonal pop up retail and mini artistic presentations by mimes, musical groups, dancers and visual artists

The Foundation would expect the elements implemented in Phase One and Two, would remain in place for three to five years. Having these phases implemented allows the site to return to public use immediately, provides for an aesthetically pleasing holding position, and gives the real estate market time to regain traction to help facilitate the long-term development goals for the property.

Phase Three brings together a long-term real estate plan for the 230 North Tryon site. Implementation of this phase would begin no earlier than three years, with the more likely start date toward the five year window, unless market conditions changed earlier than expected. This long-term plan includes a renovation of the Carolina Theater, the development of a boutique mid-rise office building spanning above the property with a lobby and uptown-viable retail on the highly visible Tryon Street level.

The renovation of the **Carolina Theater** would be the priority component of the project. The Foundation plans for the Theater include a preservation of the Theater, not an historic renovation. The renovation would be fairly spartan with a bent toward saving the space's character and creating a facility that can be returned to civic use. The Foundation sees no way that the Theater would be viable as a for profit venue. Furthermore, such a goal would place it in competition with important community venues such as Spirit Square, Knight Theatre and the Blumenthal Performing Arts Center.

Foundation For The Carolinas would utilize the preserved Carolina Theater as hall/auditorium dedicated to civic uses such as lectures, town hall meetings, annual meetings, symposiums and panel discussions. The space would serve as an extension to the conference rooms spaces in the Foundation's headquarters. The Foundation hosted 349 meetings in its facility in April alone, 95% of these

meetings were non-profit sessions. Having an auditorium/lecture hall space would provide The Foundation with another offering for its public sector and non-profit clients. The Foundation would leverage the civic use of the Theater during the business week, with a plan for identifying a private sector partner to utilize the space on Friday, Saturday and Sundays as an independent/art film venue. By partnering with the private sector to utilize the Theater on prime entertainment nights, The Foundation hopes to provide an income stream to help offset the cost of operating the facility as a non-profit.

230 North Tryon's prime uptown location calls out to be utilized with greater density and purpose than just the home for the Carolina Theater. As part of the Foundation's consideration of this project, our agency has had conversations with Charlotte Center City Partners, the Charlotte Chamber of Commerce, real estate professionals and developers. Everyone agrees the site is challenging and that parking was its biggest hurdle. Residential or hotel solutions discussed seemed unreasonable stretches with their corresponding need for onsite parking.

As ideas were discussed, we continued to be driven toward one truly viable concept – a boutique mid-rise office building. Office space as a development concept benefits from on-site parking, but is not a deal breaker without it. Charlotte's workforce is comfortable walking from surrounding surface and deck parking. The office complex would leverage spaces within existing parking decks such as Discovery Place, 7th Street Deck, 5th Third Deck and the Hearst Tower. All of these decks are within a block and a half radius of the site. Long-term the Foundation hopes that additional parking might be available if the Library/Spirit Square block is re-developed.

The Foundation envisions a mid-rise office complex that would house as its primary tenants other civic organizations, creating a complex that could build on the civic activity already occurring on the block between the Library, Discovery Place and The Foundation's headquarters. Civic tenants would benefit from the on-site auditorium space created from the Carolina Theater and the Foundation would leverage its exiting conference space to the benefit of these organizations. Although no formal conversations have been pursued with potential tenants, The Charlotte Chamber of Commerce has expressed an interest in our boutique office proposal, and we believe there are others that would be interested. The office

complex would be privately developed and this component of the project would return to the tax roll.

Why The Foundation?
The Foundation For The Carolinas is uniquely positioned to lead the development of the 230 North Tryon property. We have a vested interest, we are strongly motivated, we offer a different financial picture, and we bring a track record of successful large scale community projects.

As the adjacent neighbor to this site, no one has a greater **vested interest** than the Foundation to ensure that the site is a compliment to the surrounding neighborhood, a landmark for Tryon Street and an additional destination for Charlotte's uptown.

The 230 Tryon Street property currently provides fire easements and utility access for our facility; therefore we are **motivated** to see a project for the site that maintains these critical operational functions for our agency.

Where traditional financing scenarios have failed this property, the Foundation brings a new **financial picture.** As a non-profit, the Foundation approaches the project with no profit motive and has the ability to bring philanthropy to the table to assist with the renovation of the Carolina Theater.

With $900 million in assets spread across 1900 different funds and a wide spectrum of established partners, Foundation For The Carolinas has the reputation and positioning to bring a viable solution to the complex challenges facing the property in question. The Foundation has a **track record** of success with large scale projects requiring multiple partnerships and significant capital expenditures.

In recent years the Foundation has spearheaded the following major civic initiatives: 1) Project Lift, a $50 million school reform program designed to dramatically increase graduation rates in West Charlotte High School solely financed by a consortium of private and corporate foundations; 2) The Levine Center for the Arts, including an $83 million dollar endowment campaign raised in partnership with the Arts & Science Council; 3) The Carolina Thread Trail, a 15 county network of green ways and trails including master plans for 1500 miles

with approximately 100 constructed and over $25 million raised from private and public sources ; and 4) Our new Center For Philanthropy, a headquarter facility for the Foundation designed as a conference facility serving the community at-large and financed with $12.8 million in philanthropic gifts raised by the Foundation from a variety of donors.

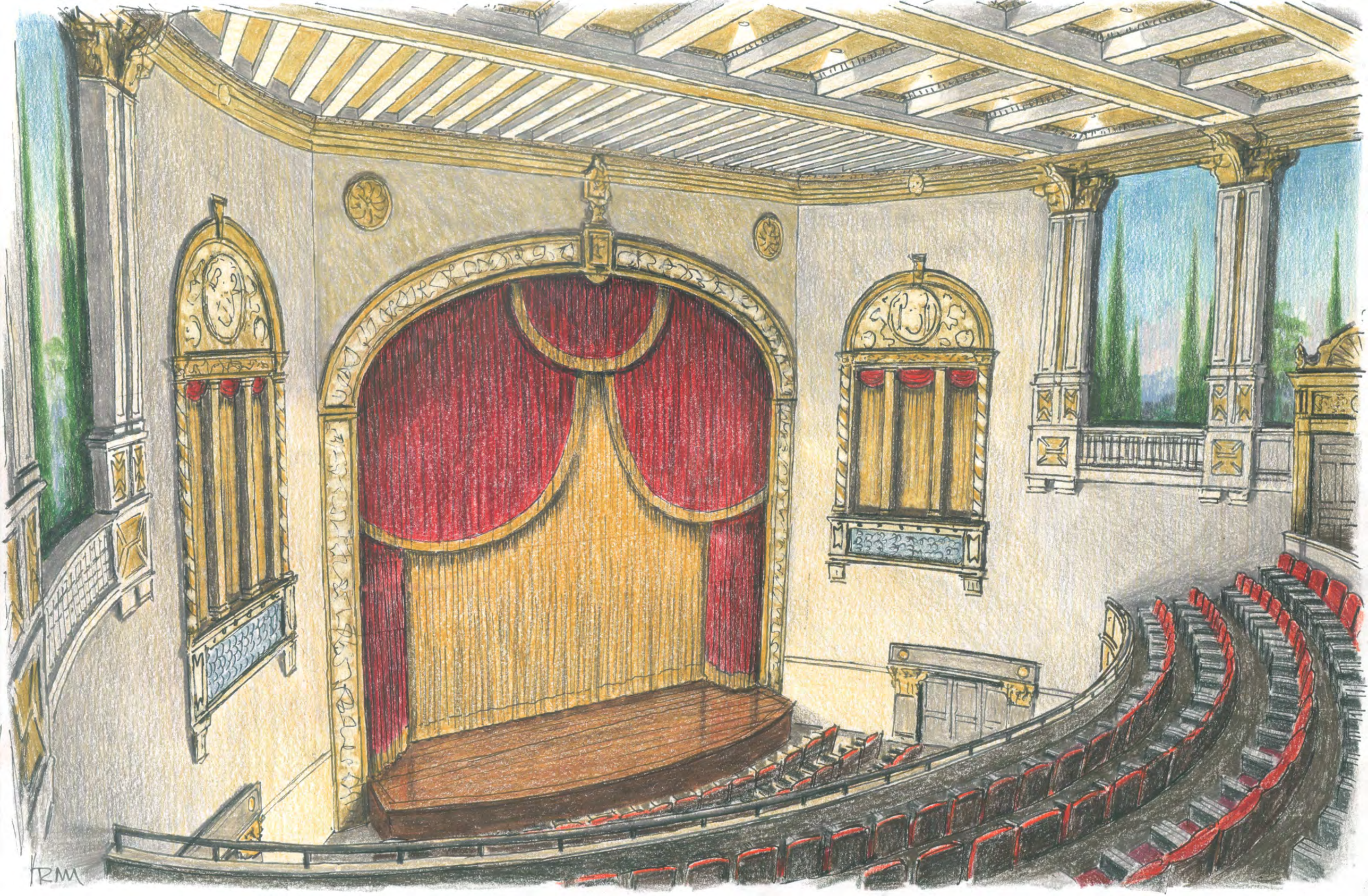
These successful initiatives coupled with the Foundation's expertise in convening stakeholders to maximize results, suggest that the Foundation is the best bet to bring life back to the Carolina Theater even as it places a portion of the property back on the tax rolls. Without a mix of private finance and private philanthropy the property in question has very little possibility of being brought into service. Foundation For The Carolinas is better positioned than any other local institution to bring these two sides of the private sector to the table.

Our Request to the Charlotte City Council

We would ask that the City of Charlotte sell the 230 North Tryon/Carolina Theater property to the Foundation For The Carolina for one dollar. In exchange for this gift of the land, the Foundation would agree to invest its funding toward the implementation of Phase One: Park beautification effort and Phase Two: Activating the space.

Additionally, the Foundation would launch a planning process that would engage appropriate uptown institutions, City staff and surrounding property owners to further explore and flesh out the develop of a signature project for this corner. As currently envisioned the site would house a mid-rise office complex and the renovation and repurposing of the Carolina Theater for public use. The larger vision is a project that ties all corners of the block into a Civic Campus. The campus would; leverage existing neighborhood partner activities, provide a central community convening area; inspire volunteers and invite civic dialogue.

This concept proposal is respectfully submitted to the Charlotte City Council for review. Foundation For The Carolinas is grateful for your consideration and we are available at your pleasure to answer questions.


RMM

Charlotte Mecklenburg Library

November 26, 2012

Economic Development Committee, City of Charlotte
Attn: Mr. James Mitchell, Chair
600 East 4th Street
Charlotte, N.C. 28202

Dear James:

I'm writing to encourage you and the Economic Development Committee to support and recommend the proposal for future development of the Carolina Theatre space that has been submitted by the Foundation for the Carolinas. I do so for several reasons:

1. The Foundation has proven through the redevelopment of its existing space that it can create and add attractive value to the Center City landscape.
2. The Foundation's motives and profit requirements best serve redevelopment economics, and the community's long-term, sustainable interests as well.
3. The Foundation has the ability, skills, and relationships necessary to convene the partners and resources required to make its vision in this space a reality. In my view, FFTC would be able to play a role of "benevolent quarterback" similar to the one played by Bob Bertges and Wachovia in the development of the Levine Center for the Arts.

The development opportunity at Tryon and 6th Streets is unique and would be catalytic for further enhancements along North Tryon. In my conversations with Laura Smith at the Foundation, FFTC's goals for the Carolina Theatre space could easily be integrated into a broader vision that might incorporate planning work previously done for the Spirit Square/Main Library block; plans and needs across Tryon Street at Discovery Place; and possibly future needs for the Levine Museum of the New South. The creation of a center for civic and intellectual leadership and activity in the North Tryon area around 6th and 7th streets would be an attractive complement to similar hubs for energy, financial, cultural arts, entertainment, sports and transportation activity elsewhere in the Center City.

The Library would be a willing and enthusiastic participant in the Foundation's efforts to lead redevelopment of the Carolina Theatre space and surrounding spaces nearby.

Sincerely,

Lee

Lencir C. Keesler, Jr.
Chief Executive Officer, Charlotte Mecklenburg Library

cc: Laura Smith, Foundation For the Carolinas

310 North Tryon Street, Charlotte, NC 28202 Tel 704.416.0600 Fax 704.416.0677 www.cmlibrary.org

Blumenthal Performing Arts

Blumenthal Performing Arts Center · Levine Center for the Arts · Spirit Square

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PRESIDENT
Tom Gabbard

November 29, 2012

Mr. James Mitchell, Chair
City of Charlotte Economic Development Committee
600 East 4th Street
Charlotte, NC 28202

Dear Smuggie,

I'm writing to express our enthusiastic support for the proposal submitted by Foundation for the Carolinas (FFTC) to redevelop the Carolina Theater property. We support their vision for the property and believe they are in the strongest position to finally get the job done, and done well.

Having personally overseen the renovation and operation of one of the five remaining historic Fox Theaters in the US, I have a good deal of insight into the challenges of renovating and operating these beloved old venues. It's among the most daunting construction projects one can take on, particularly if done well. Restoring the Carolina Theater to meaningful use will be even more challenging than most such projects.

FFTC uniquely has the experience and fundraising capacity to get the job done, and done well. Without these capabilities the site will likely continue to languish and be an eye sore. Alternatively, what frequently happens is that these places are turned into a shabby bar with a stage because the well-intentioned operator is well short of the money required to adequately improve the facility. In either case, the property would continue to be a problem and embarrassment for the City.

For those who feel passionate about this venue, and its heritage, we believe their interests will be served best by allowing the FFTC to proceed with the plan they have proposed.

As the manager of six venues nearby in Spirit Square, Blumenthal Performing Arts Center and the Knight Theater, we also have an interest in seeing that the property is developed in a manner that compliments and enhances what we do. Whatever happens at the Carolina Theater needs to fit with a distinctive neighborhood that also includes the Library, Discovery Place, Levine Museum, and Imaginon.

130 North Tryon Street · Charlotte, NC 28202 · 704.333.4686 · BlumenthalArts.org

We have had some terrific discussions among these peers about working together with FFTC to create a campus for life-long learning, public lectures and discussions, community meetings and classes. An appropriately renovated Carolina Theater that is operated by FFTC would be a great asset to our community and cultural partner in collaborating with all of the neighboring institutions.

A model for this type of community gathering place is the 92nd Street Y in New York City (www.92y.org) which for generations has served that community well. The re-use of the Carolina Theater as FFTC has proposed would be an anchor in creating such a campus. This venue, in partnership with neighbors like the Library, Spirit Square, Discovery Place and the Blumenthal, would help us to create a similar hub that will enhance civic discourse and learning.

Restoring the Carolina Theater to a meaningful purpose for our community has been a daunting challenge for our City. Thanks to the leadership of FFTC we finally have a vision, plan and organization with the capacity to get the job done, and done well. We strongly encourage their selection.

Sincerely,

Tom Gabbard
President

DISCOVERY PLACE
301 N Tryon St. | Charlotte NC 28202

November 28, 2012

The Honorable James Mitchell and
Members of the Economic Development Committee
Charlotte City Council
City of Charlotte
600 East 4th Street, 15th Floor
Charlotte, NC 28202

RE: Carolina Theatre Property & Foundation For The Carolinas Proposal

Dear Committee Members:

On behalf of Discovery Place, Inc., I am writing to share our enthusiastic support for the proposal advanced to the City of Charlotte by the Foundation For The Carolinas to appropriately renovate/develop the Carolina Theatre site. As an adjacent cultural anchor, serving over 760,000 people annually, we strongly feel that the Foundation is in an ideal position to implement a vision for the site which will serve the public's interest and also bring achievable new value to the North Tryon Street corridor. In fact, recognizing the Foundation's considerable track record, coupled with Discovery Place's desire to partner with them, this project could well spark a needed renaissance for other public and private projects in both First and Second Wards. Simply put, we fully trust the visionary leadership and community-minded outlook of the FFTC. As has been the case in the past, the Foundation can bring together the best of our community's ideas and help leverage the necessary resources to accomplish a project that will bring the greatest good to our City and its citizens.

Knowing that your ongoing work to determine the disposition of the Carolina Theatre site has important implications for all of us, including Discovery Place and those we serve, I ask for your careful consideration of the FFTC's proposal and look forward to your decision.

Respectfully,

John L. Mackay, Jr.
President & CEO

November 26, 2012

Hon. James Mitchell
Charlotte City Council
City of Charlotte
600 East 4th Street, 15th floor
Charlotte, NC 28202

Dear Mr. Mitchell,

Last May I was approached by Michael Marsicano representing Foundation For The Carolinas to ascertain the level of interest by the Charlotte Chamber of Commerce in the redevelopment of the Carolina Theatre property. While the Charlotte Chamber of Commerce is exploring multiple options for the possible relocation in Center City Charlotte, we find the Foundation's proposal for a civic campus on North Tryon compelling. The Chamber has made no formal commitment to the Foundation nor has the Foundation requested a commitment at this stage in their planning process. We have not been approached by others regarding the Carolina Theatre property.

We encourage City Council to take seriously the plans proposed by the Foundation and we look forward to full exploration of our options with the Foundation after a City Council decision. Thank you for your thoughtful consideration.

Sincerely,

Bob Morgan
President

330 South Tryon Street • P.O. Box 32785 • Charlotte, NC 28232 • Telephone (704) 378-1300 • Fax (704) 374-1903 • www.charlottechamber.com

ARTS & SCIENCE COUNCIL

Building appreciation, participation and support for arts and culture in Charlotte-Mecklenburg

Scott Provancher
President

November 27, 2012

The Honorable James E. Mitchell, Jr.
Charlotte City Council
City of Charlotte
600 East 4th Street, 15th floor
Charlotte, NC 28202

Dear Smuggie:

I write to you today to express our sincere interest in discussing ASC having a potential tenancy in the Carolina Theatre. This collaborative project has the potential to be a great asset to the community and would be in line with our vision to build partnerships to serve the cultural sector. We have existing lease arrangements that would need to be reviewed so our expression of interest must be exploratory at this time. We are excited about the potential of seeing this historic theatre used for a broad community cause and welcome the opportunity to discuss this idea further.

Sincerely,

Scott Provancher

227 W. Trade St., Ste. 250
Charlotte, NC 28202

p. 704-335-3044
f. 704-333-2720

scott.provancher@artsandscience.org
www.ArtsAndScience.org

FOUNDATION FOR THE CAROLINAS

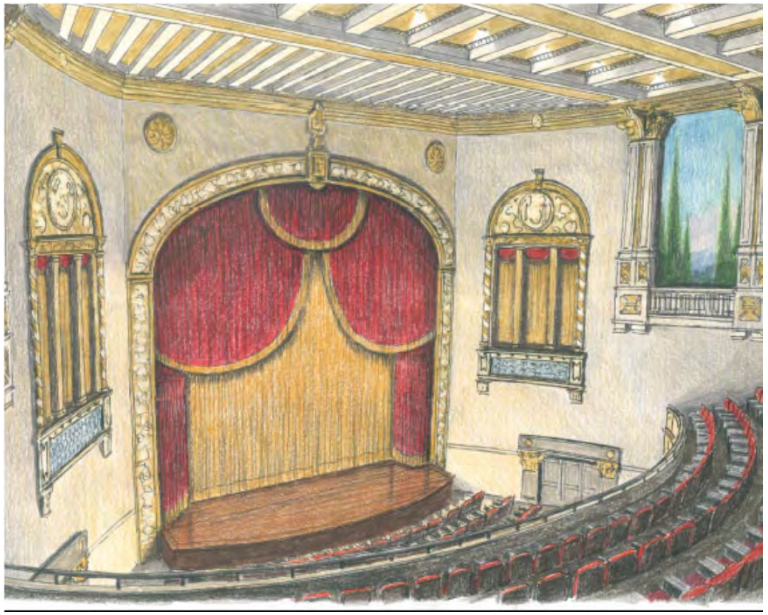
Carolina Theatre Proposal

December 3, 2012

The Vision

- A revitalization of 2 - 3 block area of 6th & Tryon Streets
- Renovate & activate Carolina Theatre as a signature element
- Develop a unique boutique office building
- Leveraging momentum of 230 North Tryon project
- Foundation spearheads a comprehensive campus plan for the entire 6th/Tryon area

The Proposal



- FFTC leads development of 230 North Tryon Street
- Development includes mid-rise office tower & Carolina Theatre
- FFTC raises dollars for restoration of Carolina Theatre
- Carolina Theatre owned by FFTC as a non-profit
- Operator hired to manage scheduling & daily operations
- Theatre used for mix of civic & art entertainment purposes

The Proposal

- FFTC would partner with a developer to build office tower
- Developer would own the tower
- Office tower would be placed on Charlotte's tax roll
- Target tenants for office space
  - civic & private sector enterprises
- Retail/restaurant element included as part of key 6th & Tryon Street corner

Carolina Theatre

- Committed to Historic Landmarks Commission standards to receive a “Letter of Appropriateness”
- Save & preserve elements creating look & feel of 1920’s
- Modernized for today’s code and comfort standards
- Design committee to inform Theatre decisions
  - City Council appointee
  - Carolina Theatre Preservation Society representative
  - FFTC representative
  - Developer
  - Operator
- Hire a theater restoration consultant to advise the process

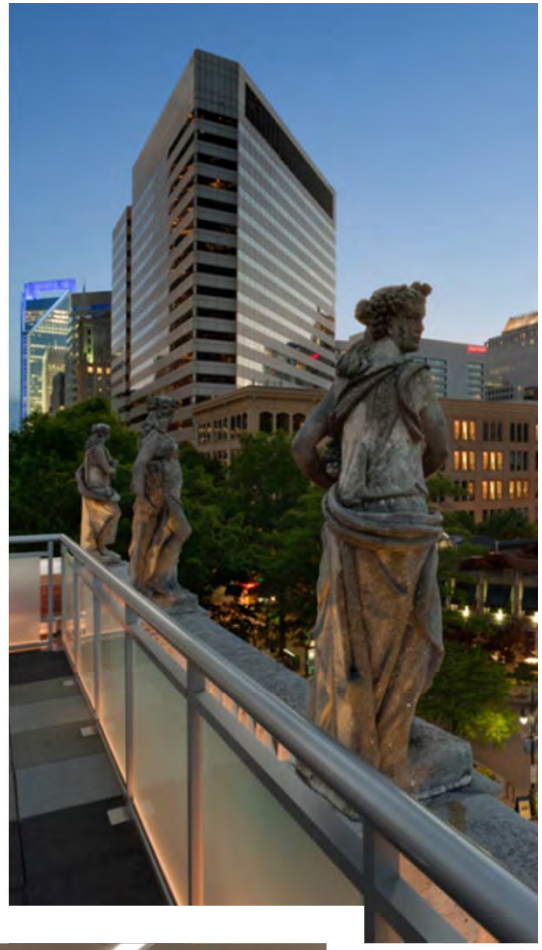
Foundation Background

- Established 1958
- Public charity, endowed to exist in perpetuity
- Governed by a volunteer Board of Directors
- Just shy of a billion dollars of assets
- Staffed by professional team
  - PhD, JD, CPA, CFP, MBA
- Received charitable gifts of $201 million in 2012
- Distributed $117 million in 2012 grant awards
- Offices adjacent to Carolina Theater
  - 220 North Tryon Street

Track Record

FFTC's Center for Philanthropy

- $12 million raised for renovation
- 60% dedicated to public space
- Conference rooms free to non-profits
- 450 events/mtgs in peak months
- Historic Charlotte 2012 Award
- 2012 Excellence in Construction Award



Track Record

Carolina Theatre Park

- FFTC vision
- Partnership with City
- Executed in 45 days
- Changed face of this corner
- Adored by public
- $76,000 FFTC investment
- $30K for lighting to come

Track Record

Levine Center for the Arts

- Spearheaded talks w/ Wachovia re: project vision
- Crafted & pitched original concept proposal to City
- Brokered Bechtler/City/Private sector collaboration
- Raised $56 million of $83 million private sector campaign

Track Record

Project L.I.F.T.

- Educational vision for 7,500 West corridor students
  - Goal: 90% graduation rate in 5 years
- Spearheaded $55 million campaign
- Key funding & strategy partners brought to the table
  - Levine Foundation
  - Wells Fargo
  - Spangler Foundation
  - CMS
  - Bank of America
  - Duke Energy

Project L.I.F.T.
Leadership and Investment for Transformation

Track Record

- Partnered with Bank of America on design & construction
- Developed business plan
- Raised $7 million endowment

- Negotiated Bechtler collection gift
- Smith lead project consultant
- Develop of financial strategy

Partnership Engagement

- Strong partnerships a hallmark of FFTC's work
- Neutrality of non-profit status allows FFTC to convene across sectors
- Strength of reputation
  - Guarantees access & provides entrées
- Experience working with City & County
- Long standing community relationships
- Developers anxious to partner with FFTC
- Key partners already part of the dialogue
  - Library, Discovery Place, NC Blumenthal, Chamber, ASC

Timing

- No intention of dragging our heels
- Work on 230 North project will begin immediately
- FFTC seed funding set aside for 2013 work
- Initial civic campus partners on board
- Project moves w/ developer tenant commitments
- Civic tenant scenario puts project on fast track
- Outside timing for project 3 to 5 years

Contractual Agreement

- FFTC will not come back for funding from City
- Office Tower placed on City's tax roll
- City Council appointee on design team
- Carolina Theatre renovation will adhere to historic landmark guidelines to achieve a "letter or appropriateness"
- FFTC will assume maintenance expenses associated w/ upkeep of Carolina Theatre Park

What the City Gets with FFTC

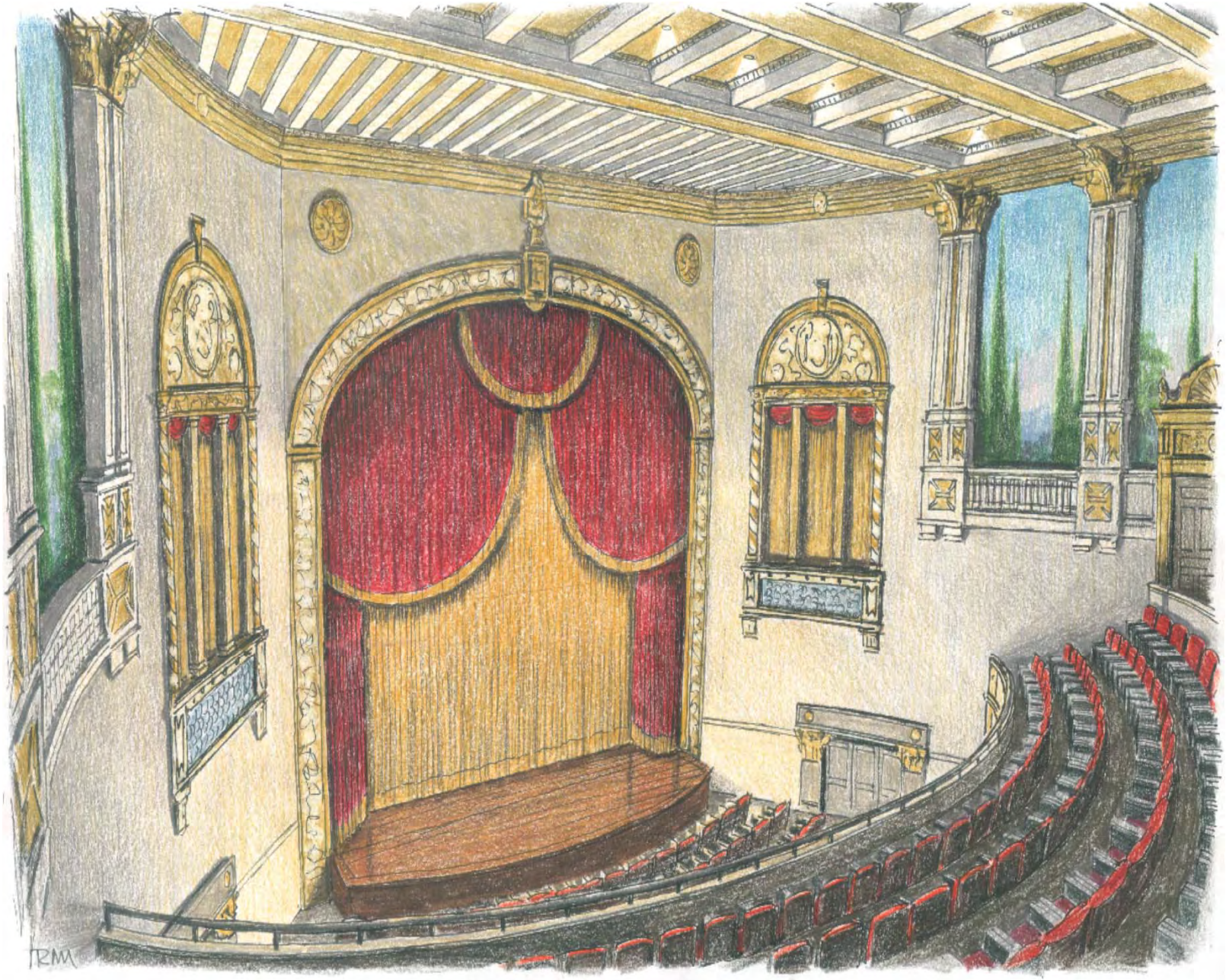
- Clear vision and bigger picture
- Partner who can pull off larger campus concept
- Strength of FFTC's reputation
- Organization pursuing best interests of community
  - It's what we do day in and day out
- Experience with complex civic projects
- Strong, established relationships with
  - City & County Governments
  - Foundations
  - Corporate Sector
  - Non-profit Sector

What the City Gets with FFTC

- Ability to convene partners across sectors
- Depth of resources at fingertips
  - Financial, community & volunteer brain trust
- Philanthropic contributions into funding mix
- Opportunity to leverage adjacent property
- Brings the best opportunities

Ultimately,
a vision and project that will
yield better return for community

Thank you for the opportunity to present our proposal to the Economic Development Committee



Questions

230 NORTH TRYON STREET PROPOSAL

FOUNDATION FOR THE CAROLINAS

CHARLOTTE
CHARLOTTE-MECKLENBURG UTILITIES

Long Creek Regional Wastewater Treatment Plant

Economic Development Committee Meeting
December 3, 2012

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CITY OF CHARLOTTE

Agenda

- Project Overview and Need
- Regional Agreements – Approach & Status
  - Belmont
  - Mount Holly
  - ReVenture/Clariant
- Next Steps

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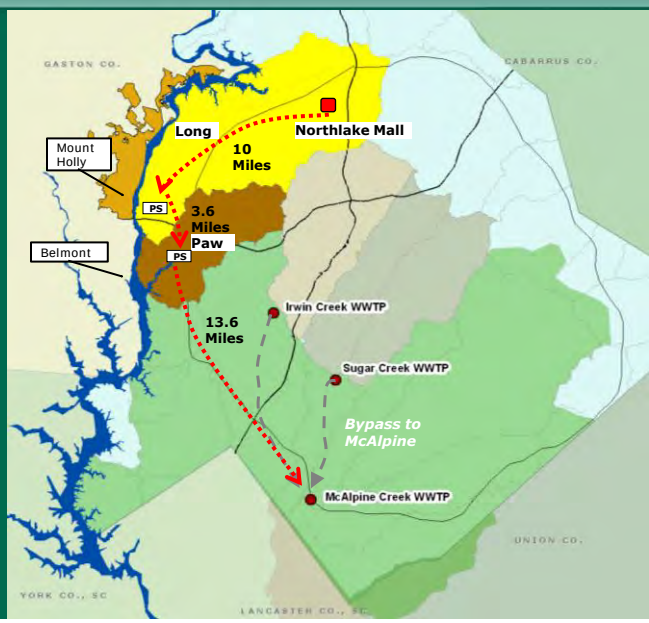
Project Overview



History
- Project discussed for last 30 years

Current Situation:
- Piping flow 27 miles
- 2 Pumping stations
- Mount Holly plant
- Belmont plant
- Clariant plant
- Flows are increasing
- Water quality concern

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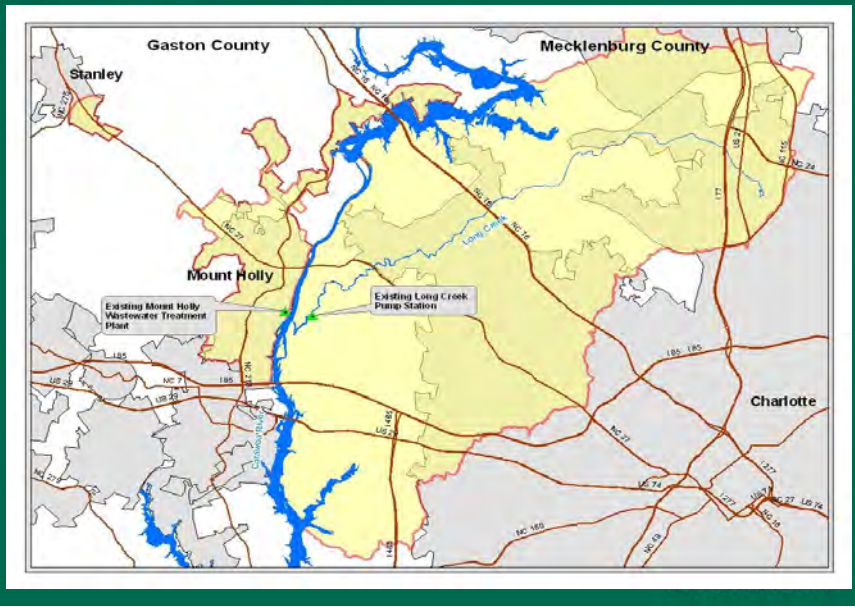
Regional Service Area



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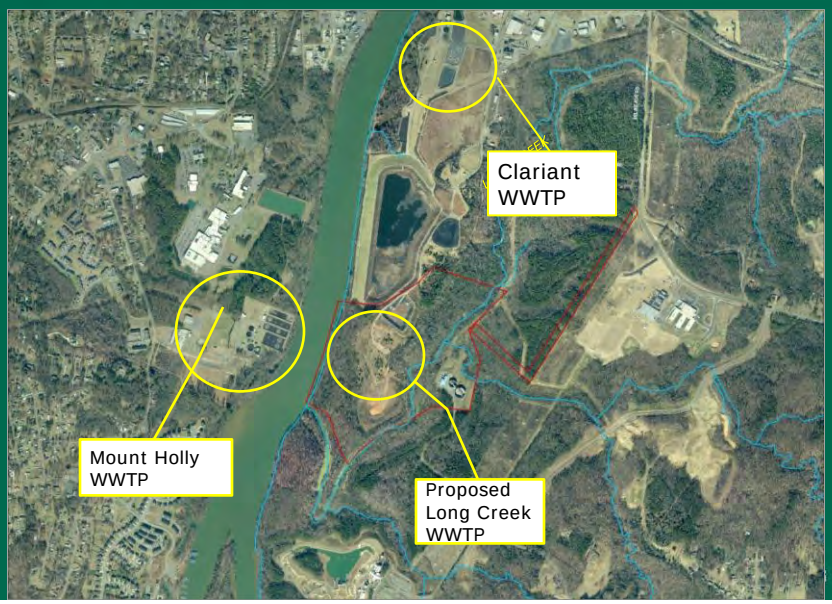
Location Map



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Location Map

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Why Project is Needed

- Protect the Environment
  - Total nitrogen and phosphorus limit for Lake Wylie
- Economic Development
  - Provide future wastewater treatment capacity
  - Least impact on customer rates
- Limited Opportunity
  - State mandated investments at Mount Holly and Belmont could derail opportunity

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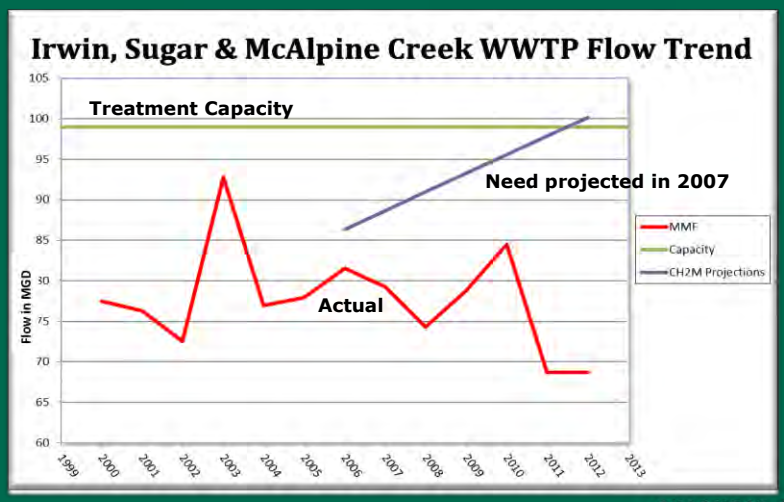
Projected vs Actual Flows

- **Economy has changed timing, but long-term need remains**



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Current Situation – Lake Wylie Dischargers

Mount Holly

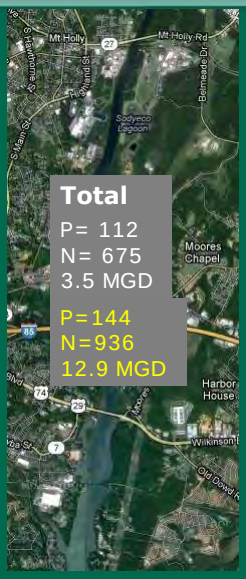
P= 70
N= 392
2.2 MGD

P= 50
N=300
4 MGD

Belmont

P= 42
N= 282
1.3 MGD

P= 58
N= 350
5 MGD



Total
P= 112
N= 675
3.5 MGD

P=144
N=936
12.9 MGD

Clariant

P= 36
N= 286
3.9 MGD

Current Pounds

Maximum Pounds

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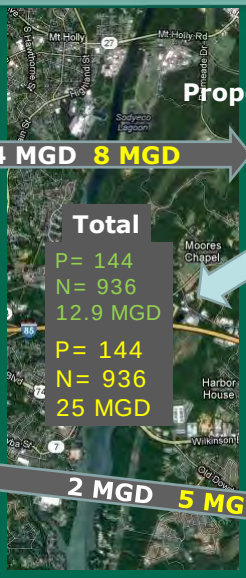
CITY OF CHARLOTTE

Future Scenario



Proposed Long Creek WWTP
Mount Holly + Mecklenburg

Mount Holly 4 MGD **8 MGD**

Initial Flow Capacity

Future Flow Capacity

Total
P= 144
N= 936
12.9 MGD

P= 144
N= 936
25 MGD

P= 144
N= 936
25 mgd

Belmont 2 MGD **5 MGD**

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Timing

- Deadlines to improve wastewater plants
- Proposal meets state goals, extends deadlines
- Agreements needed now to reduce risk
- Purchase land now to reduce risks

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Belmont Agreement

- Previously approved
- Belmont pays for:
  - Pump station
  - Treatment O&M
- CMUD pays for:
  - Pipe across the river
  - 2 MGD of treatment capacity in existing plants
- Benefits to Charlotte:
  - Obtains Belmont nutrient allocation
  - Increased wastewater treatment capacity
  - Avoid cost of pipeline upgrades

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CITY OF CHARLOTTE

Mount Holly Agreement

- Mount Holly pays for:
  - Pump station and pipe across the river
  - Treatment O&M costs
- CMUD pays for:
  - 4 MGD treatment capacity in future plant
  - 1 MGD of planning capacity in existing plants
- Benefits to Charlotte:
  - Obtains Mount Holly nutrient allocation
  - Increased wastewater treatment capacity
  - Avoid cost of pipeline upgrades

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Land to be Purchased

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Future Actions

- Return to ED Committee in January
  - Details of land purchase
  - Consider recommendation to full Council
- Council approval of MOA with Mount Holly
- Council approval of land purchase
- State review Environmental Impact Statement
- Full Interlocal agreements
- Obtain permit for future plant
- Build new plant when need develops

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Questions?

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