The City Council of the City of Charlotte, North Carolina, met in a televised meeting, on Monday, June 21, 1976, at 7:30 o'clock p.m., in the Board Meeting Room of the Education Center, with Mayor pro tem James B. Whittington presiding, and Councilmembers Betty Chafin, Louis M. Davis, Harvey B. Gantt, Pat Locke, Neil C. Williams and Joe D. Withrow present.

ABSENT: Mayor John M. Belk.

The Charlotte-Mecklenburg Planning Commission sat with the City Council, and, as a separate body, held its public hearings on the zoning petitions, with Commissioners Ervin, Finley, Jolly, Kirk, Marrash, Ross and Royal present.

ABSENT: Chairman Tate and Commissioners Boyce and Campbell.

INVOCATION.

The invocation was given by Reverend H. W. Givens, Minister of Memorial United Presbyterian Church.

APPROVAL OF MINUTES.

Motion was made by Councilman Withrow, seconded by Councilwoman Locke, and unanimously carried, approving the minutes of the Special Meeting on the _Budget Hearing_, on Tuesday, June 8, 1976 and the regular meeting on Monday, June 14, 1976, as submitted.

HEARING ON PETITION NO. 76-55 BY ALBERT S. ROACH TO CONSIDER A CONDITIONAL CHILD CARE FACILITY IN AN R-9 DISTRICT, LOCATED ON THE WEST SIDE OF OLD PINEVILLE ROAD, ABOUT 550 FEET SOUTH OF THE INTERSECTION OF SILVERLEAF DRIVE AND OLD PINEVILLE ROAD.

The scheduled hearing was held on the subject petition.

Mr. Fred Bryant, Assistant Planning Director, stated this petition represents a proposal for consideration of a conditional use, not a change of zoning as such. This is the first request for a conditional approval of a day care center facility in a residential district since the ordinance amendment a few months ago.

The property is located on the west side of Old Pineville Road and consists of something over six acres. It is actually located about 950 feet south of Silverleaf Road. It has a day care center facility on it at present which has been there for some time, and this is a request to allow the expansion of that facility rather than the creation of an entirely new area. The property extends back to Greenhill Drive, which is a street parallel to Old Pineville Road and to the west. The Southern Railroad's rail facility parallels Old Pineville Road on the east side of the road. He stated the subject property is a combination of vacant land and the day care center on it at the present time.

Mr. Bryant stated the area is all zoned R-9 - both the subject property and the immediately adjacent surrounding property. To the south, there is an area of R-20MF which extends along Arrowood Road and across the railroad tracks is an area of industrial that extends over to South Boulevard.

He explained the site plan which has been submitted and stated if approved it becomes binding and the property would have to be developed in accordance with that plan. He stated the existing building will remain; a new building is
proposed to allow for the expansion of the day care center facilities. In the future a second phase of expansion is planned which would include a small teaching swimming pool and some tennis courts. A driveway will come in from Old Pineville Road, back into the parking area, looping around and going back out to Old Pineville Road. There will not be any entrance onto the rear street where there are some residences at present. The other parking area would also come out on Old Pineville Road, and some very extensive areas of vacant land will remain. They propose to plant some additional trees and shrubbery for screening purposes.

Speaking in opposition to the petition was Mrs. Linda Taylor, 601 Greenhill Drive, who stated it was her understanding the petitioner planned to cut a driveway from Greenhill Drive; that they planned to have some 200 children there. She can hear them in her yard now and she thinks it might take away from the value of her property.

She stated Mr. Roach owns the property right in front of her house and if they wanted to put another highway in she would have to give up 50 feet of frontage because Greenhill Drive is a dead end street and she lives at the very end. She does not want a highway coming all the way across her front yard.

Mr. Bryant stated in the initial plan, which was submitted by Mr. Roach, it is true that the driveway went all the way through; but their staff had some objections to that and as a result of working out some refinements of the plan, Mr. Roach agreed to change the plan, and there is not to be a driveway onto Greenhill.

Councilman Davis asked if a wading pool and tennis courts are not unusual equipment for a day care center? Mr. Bryant replied it is. He understands they have older children associated with it, older than you normally think of in a day care center; it is not the usual form of equipment for day care.

Councilman Davis asked if they could add lights without further approval for the tennis courts, and Mr. Bryant replied they cannot. The lighting would have to be shown if it were to be allowed.

Also appearing in opposition was Mrs. C. K. Bonds, 701 Greenhill Drive, who stated she has to shut the windows to stay in the house now, and if he puts more children there, and a swimming pool or anything, she does not see how she can stay there. She is right across the street, and the children come in her yard and play and pull her flowers now. They bought and built out there because it was residential, and this will make their property go down.

Councilman Davis asked if any amount of screening would make this palatable for Mrs. Bonds? She replied the noise now, with less than 100 children, is unbearable.

Council decision was deferred for a recommendation of the Planning Commission.

HEARING ON PETITION NO. 76-56 BY CHARLOTTE-MECKLENBURG PLANNING COMMISSION TO CONSIDER A TEXT AMENDMENT TO THE ZONING ORDINANCE TO PROVIDE FOR BUS STOP SHELTERS WITHIN THE SETBACK AND STREET RIGHTS OF WAY.

The public hearing was held on the subject petition.

The Assistant Planning Director advised that sometime ago they had a visit from Mr. Hoose and some of the other Transportation Planning people relative to the fact that the zoning ordinance does not recognize the validity of bus stop shelters being erected within the setback area in front of a structure nor even within the street rights of way. There are a few bus shelters around but they are either non-conforming or have been built without the proper legal background as far as ordinance regulations are concerned.
With the City's purchase of the transit facility, there will be an increasing need to provide for some adequate bus stop shelters at various locations around the city. They have received a request to investigate the possibility of installing into the zoning ordinance some language which would allow bus stop shelters under some controlled conditions. The primary intent is to amend the zoning ordinance to allow bus stop shelters to be built and located at proper locations in the setback area where structures normally are not allowed, or even on a street right of way if desirable and necessary.

They believe some control of these facilities is necessary. Therefore the ordinance, as Council has it before them would propose to amend the text of the zoning ordinance to add this use. First of all, it would allow bus stop shelters to be built in any district except single family residential districts, and would further indicate that the bus stop shelters would have to be only those owned, erected, constructed and maintained by the City of Charlotte within any street right of way or setback line in any district except the single family districts.

Secondly, the bus stop shelter could not be located closer than 35 feet to the intersection of two street rights of way. If an area is maintained 35 feet from the right of way line down each street and prohibits structures within that, then you are preserving the sight distance relationship of the intersection itself. Other than that, the bus stop shelter could be erected anywhere beyond that point, within the right of way or within the setback on private property, subject of course to the private property owner giving his consent.

It is proposed that any bus stop shelter to be erected under these provisions would have to be provided an application for the building permit on which plans would be presented, showing certain types of information - the location of the shelter, the size, the exterior design and other quite normal sorts of requirements for such site plans.

The most significant part of this ordinance proposal is contained in Paragraph C, on the second page, where it indicates that before a building permit for a bus stop shelter may be issued, these conditions must be met: (1) The plan would have to be approved by the Traffic Engineering Department as to design and location, such approval to be granted if the Traffic Engineer finds that the placing of the shelter at the proposed location would not obstruct pedestrian travel or create a traffic hazard. (2) In order for a permit to be issued for a shelter the plan would also have to be approved by the Transit Planning Department, such approval to be granted if the Transit Planning Department finds that there is a need for the proposed bus stop shelter and at the precise location proposed for the bus stop shelter is in the best interest of the overall transportation planning for the area.

Obviously these regulations have been written to provide for bus stop shelters where they are needed, where they will provide a proper function, where they will not intrude on any safety factors related to the operation of the street itself, and subject to the controls which are presented. The Planning Commission has viewed these regulations, they have approved them only for the Public Hearing; they will need to act on them additionally after the Public Hearing before Council acts.

Mayor pro tem Whittington asked, as we talked about shelters for the present, are we contemplating at this time doing anything except those shelters proposed by Mr. Kidd downtown? Mr. Bryant replied these regulations are written in such a way as to allow bus stop shelters anywhere provided they meet those requirements; they are not directed against any one specific area. It is his understanding that for the present time, the number one priority is in the downtown area. As a matter of fact, he has a sketch which came from the Transit Planning Department showing how a shelter might look in the downtown area. But, these regulations are written broadly enough intentionally so that they can provide for bus stop shelters at many locations throughout the City if they are needed.
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Mayor pro tem Whittington stated the point he wanted to make is we are not at this time planning to put bus shelters all over the residential areas, we are thinking primarily of the Square? Mr. Michael Kidd, Transit Planning Director, replied that is right. In the capital grant that was received, there is a provision for twelve shelters which more than likely will be in the downtown area.

Councilman Davis asked Mr. Bryant if he said these were subject to consent when located on private property? Mr. Bryant replied certainly. Councilman Davis stated when you locate one of these in a neighborhood it is to be on right of way immediately adjacent to private property? Mr. Bryant replied it could be on street right of way. He requested they keep in mind that they are not allowed in single family zoned areas. They will be allowed only in business, office, institutional and multi-family areas.

No opposition was expressed to the proposed text amendment.

Council decision was deferred for a recommendation of the Planning Commission.

ORDINANCE NO. 144-Z AMENDING CHAPTER 23, SECTION 23-8 OF THE CITY CODE OF THE CITY OF CHARLOTTE AMENDING THE ZONING MAP BY CHANGING THE ZONING FROM R-15 TO R-12 OF PROPERTY FRONTING 990 FEET ON THE EAST SIDE OF RANDOLPH ROAD IMMEDIATELY SOUTH OF THE INTERSECTION OF HODGSON ROAD AND RANDOLPH ROAD, AS PETITIONED BY M.H. OF CHARLOTTE.

Upon motion of Councilman Davis, seconded by Councilman Gantt, and unanimously carried, subject ordinance was adopted amending the zoning map by changing the zoning from R-15 to R-12 of property fronting 990 feet on the east side of Randolph Road immediately south of the intersection of Hodgson Road and Randolph Road and approving the conditional plan for nursing home, as recommended by the Planning Commission.

The ordinance is recorded in full in Ordinance Book 23, at Page 185.


Councilwoman Locke moved adoption of subject ordinance changing the zoning from R-9 to R-15 of property fronting on the south side of Tuckaseegee Road directly south of Edgewood Drive and extending west about 840 feet as recommended by the Planning Commission. The motion was seconded by Councilman Withrow, and carried unanimously.

The ordinance is recorded in full in Ordinance Book 23, at Page 186.

GRANT TO CHARLOTTE HOUSING AUTHORITY FOR THE ACQUISITION AND RENOVATION OF THE PITTS DRIVE APARTMENT PROJECT, APPROVED.

Mr. Bob Sink, Attorney for the Housing Authority, stated this matter has been before them before on what they believe were less favorable terms and for a larger request for funds. Pursuant to the instruction of Council, the Authority met with the interested parties on this matter to try to make some arrangements for the acquisition and improvement of the Pitts Drive Apartments which are now leased to the Housing Authority on some terms that might be more favorable than outright use of a grant in terms of $600,000 or so, to pay off all the indebtedness and to acquire these apartments outright.
The proposed arrangement is the best of a bad situation. The apartments are in bad state of disrepair and the exercise of trying to determine whose responsibility it is for repairs, whose responsibility for the initial quality of the apartments really may end up in a lawsuit and a long time before we have some good housing for folks. The staff of the Authority is satisfied that for a budget of $200,000 these units can be made good, safe, decent, sanitary and very pleasant housing for the people they serve and this community is interested in serving and as Council is interested in serving. It is with that in mind that they have had New York Life, the present mortgagor, to agree to reinstate a defaulted mortgage, to forget approximately $67,000 in interest, to continue that mortgage which is at 7-1/2 percent interest. Therefore, the Authority would basically acquire the property, continue the subsidy from HUD which would be sufficient to amortize that mortgage. The $200,000 that City Council is being asked for would go directly into improvements for the project in terms of making park space, new doors, new insulation, painting, a substantial number of things which will ultimately benefit the City because these apartments would then become the property of the Housing Authority, assuming that they continue to make the payments on the mortgage for a period of 13 years. Part of the dispute and the dichotomy of responsibility in this case has been what do you do with a project you are going to be leasing just for eight more years? Do you want to dump a lot of money into it to make it better than what you started out with or do you just try to hold out for eight years? This is a choice that has possibly been made now by the Authority and with the cooperation of other parties interested and they think it is a well considered solution to the problem.

Mayor pro tem Whittington asked Mr. Sink to speak to the plans of the Authority to demolish the four units and the provisions they are making to take care of the flooding, and the park area.

Mr. Sink stated the project now consists of 50 units, four of those units clustered in one building. They were built in a very low area which has for a long time experienced the brunt of the flooding difficulties. Those four units, in the very central part, will be demolished. They have long been uninhabitable, the rent payments have long been discontinued, so there are no units that are being destroyed that have not been unused for some period of time. There will be substantial improvements to the drainage. That area that will now be vacated by the demolition of those units will be turned into open space - a park. Renderings have been done of this area by Design Planning Research Associates which do offer a plan to sort of spread out the population; there is a plan to reduce the size of some of the families so that you reduce the density of the population in that area and make it a community that the Authority believes will be one the community can be proud of. There will be substantial clearance, substantial improvement in the drainage, gutters and downspout construction, interior repairs in terms of new tile floors, replacing of exterior doors and frames, more insulation, painting interior and exteriors, preparing damaged sheetrock, heating repairs, general cleaning, filling and piping a large ditch, construction of rear stoops and covered porches. This is not simply repairs to damaged property, but it is really making a project something better than the one that was bargained for and leased by the Authority to begin with.

Councilman Williams asked if there is any assurance that the HUD subsidy will continue for the period of the mortgage? Mr. Sink replied they would clearly obtain the express consent of HUD to the particular project. Under this particular framework, they have gotten a general written approval to the concept of having the project transferred to a non-profit corporation which will be created - Charlotte Housing Authority Properties, Inc., for lack of a better name. That way the lease can continue in effect between the Housing Authority as lessor and this new entity as lessee, so the lease continues in effect and therefore the HUD subsidy payments on account of the lease continue. That covers a period of eight years. Perhaps Mr. Williams' question goes beyond
that and says at the end of eight years, when the lease expires, can we be assured that the lease would then be continued so we could continue to amortize it over the remaining thirteen years. At the present time they have not gotten express approval of that although they have no reason to believe they will not be able to get it. When the leased housing program was set up, it was contemplated that there would be a 20-year life for this Section III Leased Housing Program. Our lease was a 15-year lease at the time and up to now we have not been interested in extending it beyond 15 years. But with this new package, we would ask for assurances that we would be able to continue the lease if we desire to do so. The alternative would be, if we are able to come up with funds at the end of eight years, to discuss some lump sum acquisition price, negotiating with New York Life, and perhaps we would be able at that time to talk with them about paying off their mortgage at the end of eight years.

Councilman Gantt stated the question he has more concern with is are the payments we are going to make under the 20-year leasing program to this new corporation going to be sufficient to amortize the mortgage and maintain the units? Mr. Sink replied yes. The amortization payments on the loan are only about $3,800 a month. The subsidy from HUD alone is $5,400 a month. So, with just the subsidy we would be able to well cover the mortgage payments. There are receipts also from the tenants; a total monthly income very conservatively projected at $7,400 a month. Based on their substantial experience in operating other units, they show monthly operating expenses, including non-routine maintenance of about $3,100, so you have $7,400 in income as opposed to expenses of $6,900; for residual receipts about $500 a month. They are projecting about $500 a month extra after the normal operations.

Councilman Gantt asked whether or not they had added another $100,000 for necessary improvements over what he thought they had in the first $600,000 proposal? He recalled in that proposal, a $100,000 was to be used for improvements. Mr. Sink replied that the dollar amount for projected improvements has not changed, it has been substantially $185,000. They have been withholding rent, which has now aggregated about $67,000. Everybody is going to release its interest, including the mortgage company. But that money will in turn be paid to the owner - he has obligations which he has guaranteed. To state it simply, we are paying the owners $73,000 for their equity, which is mostly the $67,000 they are holding in terms of rent.

He stated the numbers have not changed as far as what the basic cost of improvements were, he does not believe.

Councilman Gantt stated he feels this is probably the best arrangement that could come out of the Pitts Drive situation. Certainly if this Council had jumped off a couple of months ago, we would have been $200 to $250,000 the worse. He has had the opportunity to talk to some of the people with New York Life who held this and knew about the considerable amount of community interest in favor of Pitts Drive. In effect what we are being asked to do is assume the mortgage and let the rents collected and the subsidy we get go toward payment for the ownership of the property. That Mr. Withrow can tell them what that means from a real estate standpoint, but he is impressed with the out-of-pocket cash expenses for getting 50 units and substantially improving the drainage. He stated he hopes Council will go on record as unanimously supporting it.

Councilman Davis stated the first proposal before Council involved $600,000 of which we were to pay $500,000. Now, with this proposal we assume a $388,000 mortgage, pay $200,000 for repairs, and pay $73,000 to the owners which totals $661,000. Other than the fact that we are using some borrowed money, how is this proposal better than the first one? Mr. Sink replied he thinks it has to be that we are using borrowed funds. We are leveraging the funds, continuing to use the HUD funds to pay it and not using all our current monies. That is the only real improvements.
Councilman Davis asked who are the owners to whom this $73,000 will be paid for their equity? Mr. Sink replied they are Richard Rice II and Fitzgerald Hudson. The builder of the property and the original lessor was a corporation known as Tom Rich Corporation and in building the project they not only borrowed from New York Life but they also borrowed from someone named Sarah Lord. They personally guaranteed that indebtedness and that indebtedness is being discounted by 10 percent. That is the same as the proposal was before to have that indebtedness discharged.

Councilman Davis stated since we are considering the purchase of $661,000 worth of property, has there been a current appraisal? Mr. Sink replied there has not been an appraisal as such although their people feel certain that on a replacement basis or income value or whatever the price of these units, which is about $12,700 a unit, they would come in under the appraisal. They can get an appraisal if that is necessary.

Mr. Sink stated they are using the rents - they are not taking money except what would have been paid otherwise to the landlord. There is no determination at this point that they are entitled to hold on to $67,000. So far, that is the landlord's money and we are paying him his own money if he is right, and we are paying him our money if we are right. If we can go through with this transaction, we will never have to determine whether or not we are entitled to that withholding or not.

Councilman Davis stated there are two questions he has not resolved in his mind. The first is the matter of the appraisal. He does not have much of an idea whether $15,000 is a real good price per unit or not. Unless someone on Council can give them some expert advice on this or get some judgment from a more knowledgeable situation than he has, he would prefer to defer this until they get an appraisal.

Secondly, if the only advantage in this alternative is as Mr. Sink says, it looks disadvantageous to him because we are assuming a 7-1/2 percent mortgage and the City can borrow money much cheaper than that.

Mr. Burkhalter, City Manager, stated he is sure that they are all aware that this is a proposition in which every one of Council has indicated some interest at one time or another to try to do something about. Publicity from the various tenants of these buildings has been very adverse to the Housing Authority and the Housing Authority could not do anything about it. There is a rather fine point here as to what the Housing Authority can do and retain the monthly rental of about $5,400 which will keep this project alive throughout the lifetime of the lease. If we do not do it, the payoff of the $73,000 at a discount is a personal loan and not a second mortgage and it is a situation the man cannot afford because he is personally liable if this property transfers without being dissolved. He does not want to quote the law but he thinks he is close to the situation. He is just not in any position, and will not release it, and nobody could blame him for not releasing it. Therefore, his only alternative is to sue the Housing Authority to get judgement in this situation. He is speaking of the owners Mr. Sink mentioned.

Mr. Burkhalter stated the dealing with the New York Life Insurance Company has been reasonably well. He thinks there is a 10 percent discount involved in their mortgage. Mr. Sink stated that would not be under the present arrangement, that was on the owner's equity. Mr. Burkhalter stated Mr. Davis is right in that in the amount of money there is not much difference. The only difference is one way you would have to put up the money to buy the housing from housing funds which he understood Council wanted to save for other purposes. The second difference, the tenants and the federal government would finance this deal to buy this housing and it is a way to avoid and get out of this very bad situation over there in this housing project. He thinks Mr. Underhill, Mr. Sink and others who have worked on this came up with what they think is probably the best way for Council to get out of the project and get the Housing Authority off of the spot that they are in, at the least amount of cash outlay.
Councilman Withrow asked how many units are occupied and Mr. Sink replied there are 13 occupied right now as he understands it.

Councilwoman Chafin stated she had a question and a comment. What other than improvements in the insulation is planned to reduce the high utility bills that the residents have experienced this past winter? That she had an occasion to go out Friday night and meet with a few residents who are left. She was moved by their plight in the situation out there and by their commitment to really building a community in the Pitts Drive area.

Mr. Sink replied the houses are all electric; their utilities are paid directly to the utility company. The proposals he has heard discussed and the ones that are budgeted include basically weatherstripping, new doors, better fitting doors, insulation and what are grouped as miscellaneous improvements to the heating and he is not sure what is included in that part of what the budgeted amount is. They are aware of the problem that the average bills are running maybe $50 to $60 a month out there for the all electric apartments. But, that is no different from a lot of other units which area all electric. The units are three and four bedroom in size, half of each.

Councilman Gantt asked that when he said previously that they were interested in cutting the size of the families, that is the families that will be coming into the apartments? Mr. Sink stated that is right.

Councilwoman Chafin stated she would very much hope that Council will move to act on this tonight. She thinks there is a real sense of urgency out there, having been there and looked very closely at the situation, the grounds and the structures and talked with the residents. She thinks this is a very good proposal before them and the staff should be commended for the work they have done.

Councilman Williams stated he is going to vote for this because he thinks it is the best way out of a bad situation. As he sees the progression of events that might occur otherwise, this mortgage would likely be foreclosed; the property would be put up for sale and who knows what it might bring. It might bring half the mortgage or $200,000. Then there would be a deficiency against the owners. The owners would certainly be looking to the Housing Authority to make up that deficiency because they had a contract with the Housing Authority for 15 years, or whatever the terms of the lease were. He does not know what consequences might ensue from that lawsuit to the Housing Authority but he suspects they might not be very good consequences.

He hopes that somewhere somebody is going to take notice of the situation that we are investing $200,000 in this and that we might get some credit toward providing some housing units elsewhere in the City. We have displaced a lot of people and are in the process of displacing a lot of people and we have reserved some money to build other units or acquire other units elsewhere in the City. He knows that this is not injecting into the inventory 46 new units because these 46 units have been there all the time, but were it not for the action this Council might take, these are 46 units that would not be there hereafter.

Councilman Davis stated he would certainly want to buy these units if they were available and $15,000 a unit is truly a good price. He asked Mr. Withrow's advice on the price. Would he pay $15,000 a unit? Councilman Withrow replied he had not been out there and appraised the units but there is no way to build a four-bedroom apartment for $15,000 today. He assumes when they get into $200,000, they are going to have pretty close to that in it, so whether you discount the location or not, he does not know. Referring to what Councilman Williams said, he thinks you have to take into consideration the consequences
they are going to have from this and maybe that foregoes most of the other questions. We almost have to do it.

Councilman Davis asked Mr. Watts, Deputy City Attorney, if there is any legal requirement that we have an appraisal before we spend this kind of money? Mr. Watts replied not in this case. Councilman Davis asked what is different about this and Mr. Watts replied the Housing Authority, to begin with, is making this purchase. Under these circumstances, he knows of no legal requirement that you have an appraisal. Mr. Sink stated he, too, is not aware of any. In this situation, not starting out from scratch, we are talking about a settlement of substantial dispute and the units are originally constructed were appraised and inspected most everything was done by HUD during the period when they were first constructed. He does think is is appropriate to use the figure $12,777, or something like that as the cost of them because he thinks that it is important to underscore that the $67,000 they are paying the owners really are funds that we otherwise would have been paying to the landlords.

Councilman Gantt stated on this appraisal business, he wonders in his own mind, whether or not it would not be a more appropriate figure to talk about whether these units, as they now exist, are worth $9,000 a unit. Because what they are talking about doing is investing their money for improvements depending on our standards of what they want to put into it. What they are doing is assuming a multiple mortgage at $380,000 plus the payment we make to clear up all the liens against the property and that comes out to around $9,000 a unit. He knows from his own cursory review of what is out there that they are worth $9,000 a unit. What we do to improve them he thinks will make them worth $12,000.

Councilman Davis stated they are still talking about $661,000 of tax money to go into it. He would feel more comfortable with an appraisal because Council is about to become involved in a highly disputed matter, the builders did a very poor job of this and reflected very unfavorable on the community. Before we participate in making any kind of payment to them, he would feel more comfortable with an appraisal although if Council wants to go ahead tonight, if there is some degree of urgency about it, he will not oppose it.

Mayor pro tem Whittington stated he thinks the Housing Authority and the City of Charlotte got themselves into a very bad situation with the Pitts Drive contracts. That is one fact; the other fact is that we had 54 units out there, we cannot use all of them because one whole building, when he saw it, was under water and people could not live in there. What we are trying to do here is save 46 units out of the total project, put in a flood control program to get those people out of the water; put in a little park area where they would have some recreation and the City has already committed itself to a park behind West Charlotte Junior High School contiguous or adjacent to this property. What they are being asked to do, instead of putting up this cash money themselves, is use Revenue Sharing Money and bring these units up to a standard that the Housing Authority accepts which is higher than the minimum standards code. He does not know anything about the appraisal. The only thing he can do there is do what the two attorneys recommend they do and that is that you do not have to have one. He would encourage Council to go ahead and approve this and get on with trying to save these units.

Councilwoman Locke stated there is a critical shortage of low-income housing and she thinks the Housing Authority and the Attorneys have worked diligently to bring about a compromise. With that in mind she would ask that they urgently pass this tonight.

Councilwoman Locke moved approval of the grant to Charlotte Housing Authority for the acquisition and renovation of the Pitts Drive Apartments Project. The motion was seconded by Councilman Gantt, and carried unanimously.
Mr. Burkhalter stated he wanted to be sure everyone understands that the suggestion they made to Council was that the appropriation they make come out of next year's appropriation which means that sometime after July 1 they will have to appropriate the money. What staff wanted them to do tonight was to tell them to go ahead and tell Mr. Sink to proceed to get all these papers drafted and drawn up preparatory to that.

Councilman Gantt stated as to the source of funding, he would assume that Council has the prerogative by this motion to decide how it wants to provide the $100,000. That staff recommended two sources of funds, Revenue Sharing and some previous money that they had allocated to the Housing Authority. Mr. Burkhalter stated this was really the City's money in a way; it is money that they were supposed to repay us. Their suggestion is that we just ask them not to repay that and add to that from your next year's appropriation. Council has appropriated $283,000 in new money for housing next year. They can take it from anywhere they want to but this was what they proposed.

Mayor pro tem Whittington requested Mr. Burkhalter to ask the Legal Department to go ahead with the statement Mr. Williams made and see if we cannot get some credit for these units which we had hoped to do when they talked about it earlier in the year.

LEASE BETWEEN THE CITY AND HOWARD A. NIVENS, JR. AND CLYDE S. MEDEARIS OPERATING AS T/AM AND N ASSOCIATES FOR OFFICE SITE TO SERVE WEST MOREHEAD AND SOUTHSIDE PARK COMMUNITY DEVELOPMENT AREAS, AUTHORIZED.

Mayor pro tem Whittington asked why the CD is leaving the Calvary Church? Mr. Michie, Assistant Community Development Director, replied they had been renting space for approximately four years in Calvary Methodist Church, 512 West Boulevard, at $432.00 per month. They have two problems as far as that particular space is concerned and location. Now that they have the West Morehead Community Development Target Area and the Southside Park Community Development Target Area, they searched for a location more centrally located between the two community development sites and to process the loans from the Wilmore-Dilworth area. They have the third floor of the Education Center of the church. It is a bit inaccessible. The stairs are rather steep, it is a walk-up third floor situation. After searching in the West Morehead area, along South Tryon and South Boulevard, pricing various rentals in that area for a site office, which was running $4.50 to $4.75 per foot, they felt the $4.15 a foot for the new space, at a better location, on a second floor rather than a third floor, was a much better situation and more convenient for the residents of their Target Areas, and recommended the change.

Councilman Withrow asked about the moving costs and Mr. Michie replied they are talking about desks, chairs, office furniture and this type. They really have not calculated for the simple fact they have equipment, men and a truck, etc. in Community Development Department. They will make the move themselves so they had not calculated any van costs or anything of that sort.

Mr. Burkhalter asked if it is not true that they have been told by the church also to look for another place and Mr. Michie replied that they had been more or less on a month-to-month kind of thing. He thinks they are willing tenants and they are willing renters on both sides. Mr. Burkhalter stated one of the members of the Board at that church informed him that they would like for us to look. He does not know whether this was an official position. They would agree for us to stay a little while longer but they did not really want us to stay too much longer. Mr. Michie stated they finally got away from the year-to-year lease at the church's request and it has been on a month-to-month basis for some time. They have had about five break-ins at this particular location over the last two years. Security has been a problem in that it is a very large church and large building and it is very difficult to control it. It does not make for a good operation to be housed in with an uncontrolled kind of a situation. It has not made for a real efficient kind of office operation.
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Councilman Gantt asked if the square footage at the new site is substantially larger than they have at the church and Mr. Michie replied that is right. What they are asking to rent is 2,106 sq. ft. - at the church they have 2,260 but down the middle of it is a rather large hall which is 300 ft. so they have a net office usable space at the church of 1,960. The 2,106 sq. ft. at the other building is all usable space.

Mayor pro tem Whittington asked if there is enough space in First Baptist Church on South Church Street? We bought that. Mr. Michie replied he really does not know, they have not taken that into account as a possible site. They are trying to get a location that would be equally close to the people in Southside Park, which is down around Remount and South Boulevard areas, as well as those on West Morehead. Mayor pro tem Whittington stated that West Boulevard is exactly half way between Morehead and Southside Park - you could not have a better location than what you have. You are going east about a half mile farther from Southside Park by going to this location.

Motion was made by Councilman Gantt, seconded by Councilwoman Chafin, to approve the lease with T/AM & N Associates, at 1427 South Boulevard, for the office site for the West Morehead and Southside Park Community Development Areas, at a monthly rental of $728.00.

The vote was taken on the motion and carried unanimously.

MODIFICATION TO RE-PROGRAM CARRYOVER FUNDS UNDER CETA TITLE II, MODIFICATION TO UTILIZE NEW FUNDS TO CONTINUE CETA TITLE II PROGRAM AT AN EXPANDED LEVEL AND MAYOR AUTHORIZED TO SIGN THE MODIFICATIONS FOR SUBMISSION TO THE U. S. DEPARTMENT OF LABOR.

Motion was made by Councilwoman Chafin, seconded by Councilman Gantt, and unanimously carried, approving the following in order to develop budget modification for the CETA Title VI Emergency Jobs Program to terminate as of September 2, 1976 with the participants currently enrolled under Title II, effective September 3, 1976 through January 31, 1977:

(a) Submission of a modification to re-program an estimated $94,140 in carryover funds under CETA Title II.

(b) Submission of a modification to utilize new funds in the amount of $2,069,163 to continue CETA Title II Program at an expanded level.

(c) Mayor authorized to sign the modifications for submission to the U. S. Department of Labor.
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ORDINANCE NO. 146 AMENDING CHAPTER 16, SECTION 16-61 OF THE CODE OF THE CITY OF CHARLOTTE WITH RESPECT TO WATER AND SEWER RATES.

Mayor pro tem Whittington requested the Directors of the Utility Department and Finance Department and the Chairman of the Community Facilities Commission to make a presentation to City Council and the television audience on their recommendations on sewer rate increases.

Mr. Dukes, Utility Director, stated they have presented, on several occasions, what they think is a rate to cover the needs for the Utility Department for a period of five years. What they did was to take the actual cost as best they could determine for treating 100 cubic feet of sewage, then they had the problem basing the regulations that they had to meet in order to qualify to become eligible for 75 percent grant funds. In order to do this, as they understand it, they were required to make their rates meet certain criteria. One of these criteria was that any cost that they had could not be based on declining rates or rate deductions for large volume users. The reason they have spoken of this so many times is that in our particular history, it has been historically practiced that the more waste you discharged, since the sewer bill was based on the water bill, the less it costs per unit of volume.

They devised two schemes that they thought would meet the Environmental Protection Agency requirement to get us right for 75 percent funding. These two rates are essentially this. They suggest that over a period of five years we add 10¢ to each rate block until 62¢ is matched for everybody. This would take the large user five years to accomplish; the small user would accomplish this in about two years.

The second alternative was to take the difference between what the rates are now - 62¢ - divide that three ways, add a third each year until at the end of three years everybody would be at 62¢. They asked that we not bother the water rates, leave them as they are. In this way we would adjust our wastewater or sewer rates to meet what we believe is the Environmental Protection Agency requirements.

However, today he had a letter from Atlanta which told him that if we delayed this over five years, we may be in trouble. So, actually they criticized our five year proposal because they felt we would have some of these projects completed by then and in order to get our grant fund we had to have this rate in effect at the time 80 percent of it was done.

Mayor pro tem Whittington asked Mr. Dukes what is wrong with Alternate #2? He stated he has been warned he can get in trouble with the five years. What is wrong with the three years? Mr. Dukes replied they think it is perfect and they recommend it very highly. They believe it meets the spirit and the requirement of the Environmental Protection Agency. It also does another thing - it spreads the cost evenly over our community rather than any one group. When we do this, we are in effect letting those people who told us they wanted the environment cleaned up, help pay for a little bit of that. He highly recommends that Council consider Alternate No. 2.

Mr. Sheridan, Chairman of the Community Facilities Committee, stated generally the Community Facilities Commission felt a sewer rate increase is required but they felt that the proper rate structure could not be accurately forecast beyond the current year. The consensus of the Committee was that the expenditures of the Utility Department were rising at a more rapid rate than the revenues. They think that some things that have caused the expenditure side to rise more rapidly have been detailed to them in the report made previously. Their specific recommendation was that the sewer rates be phased in over a three year period to an equal base. The first year they recommend that the rates be increased 1/3 of the difference between the current rate structure and 46¢ ccf. If these recommendations are adopted, they believe this rate will provide a balanced budget for fiscal year 1976-77. In future
years they recommend that total revenues be evaluated and rates be adjusted so that at the end of the third year all the rates will be equalized at a rate adequate to provide necessary revenue to the department. They further recommend that any future water rate increases be implemented in a similar manner.

Councilman Gantt stated he likes their proposal except when he reads the bottom line of the projection it indicates if we were to take that proposal, we would end up with a deficit of about a million dollars. Does Mr. Sheridan have any comment on this proposed $941,774 deficit?

Mr. Sheridan replied that part of their suggestions were that perhaps some other source of revenue could fit into the Utility system to take into account some of the decreased rate income resulting from annexation. They feel some of the expenditures could be tailored more to the revenue base - in other words, cut back on some current operating expenditures and deal with the deficit in that respect.

Councilman Gantt stated it is clear that philosophically and otherwise, there is some difference of opinion between the Committee's view of the operation of the Utility Department and the department itself. He wonders if the Committee has had the opportunity to review the comments that have been made with regard to its report by our Utility Department - on the system of long term financing, the relative difference between the rise in operating expenses versus the rate of increase in revenue. Mr. Sheridan indicated he had not but other members of the Committee indicated they had received copies.

Mr. Beck, Member of the Committee, stated to answer Mr. Gantt's question about the $940,000 deficit, that one of their recommendations was that the Utility Department try to hold its operating expenditures to an increase of 10 percent this year. They do not think that is too unreasonable. First of all because they are projecting an increase of only four percent next year. In the past it has been rather substantial at 13 percent and 17 percent for prior years, but next year they are expecting a four percent increase. Some of these economies may be able to be accelerated.

The second thing is that the Finance Department has projected interest income on the unexpended proceeds from bond issues at a half million dollars a year and they can believe that probably more money than that is going to be available. The next thing is the projected increase in usage of about one and a half to two percent compounded annually over the next five years. This is not in accordance with the increases over the preceding years and coming out of the recession as the community is, they believe the increase in sales will probably be somewhat more than is projected in the Finance Department's schedule.

The last thing is that in spite of all the efforts they have put into this thing, they are really not that proud and would not object to coming back in six months if it turns out that it could not be done. They have to remember that they are working with numbers that were put together in November and given to them in May to present to Council in June to pass before July. They really do not see any reason why these numbers could not have been made available to the Committee in November at which time they would have had a much better opportunity to study the budget of the Utility Department in detail as is provided for in the enabling legislation that the Council set up that created their Committee.
Councilman Gantt asked if he is able to specifically, in his review of the operation of this department, point to areas where they think adjustments might be made to reduce expenses because the response by the Department is that, first of all, the Utility Department has taken on considerably larger responsibilities, dealing with a larger engineering staff and other kinds of expense, on top of inflation itself. That when everything else is considered, the proposed rate increases are moderate compared to certain factors of inflation and the substantial increase in the size of the system. He thinks that is the essence of their answer. He is wondering whether or not this Committee saw some specific things to indicate that it is possible to pull in operating expenses to the point of a 10 percent increase rather than the seventeen percent?

Mr. Beck stated Mr. Gantt is asking them to be very specific in accounting areas where they have, quite frankly, not gotten into it as deeply as they really should to respond accurately to his question. There are a few things though from a review of financial information that they did have available to them. One is, as Mr. Gantt says, the Utility Department is "beefing up" the engineering staff and a review of the budgeted figures of the Department for the 1976-77 year provides for large amounts of expenditures in the area of engineering, planning, designing, etc. A large number of these expenditures are related to capital improvements and to expansion. This Committee, if not unanimously, at least it tends to go along with the belief that perhaps this system is expanding a little too rapidly; that we are putting in systems that are not yet able to provide revenues that will pay for themselves in a quick period of time. This is obvious from the Utility Department's own recommendation where they are expanding their operating costs at an annual rate of about 8 percent and yet their sales, at an annual rate of only about 1-1/2 percent. They believe that a lot of the capital expenditures that are being undertaken could possibly be deferred and as a result of that some deduction in the budgeted requirements for the Engineering Department.

He stated, in all candor, he must say that they have not gotten as indepth an analysis of the budget as they would like to have in order to make specific recommendations on a line by line basis. They do feel that as a guideline 10 percent is a reasonable goal to shoot for in carrying out their responsibilities on a continuing basis throughout the year, if it turns out it cannot be reached, he does not think they would have any objections to coming back and admitting they were wrong and asking for another increase at mid-year.

Mr. John Huson, Member of the Committee, stated that one handicap they had: The November report shows a set of estimated costs for the year 1975-76. They were given preliminary budgets which showed estimated and budgeted costs for 1975-76. And recently, within the past couple of days, they have gotten the new budget for 1976-77. All of those numbers are different and that accounts for a lot of confusion. In fact, the November report estimates and the current budget estimates are significantly different. There has been some escalating but it means that when you say where are the increases, it is hard to determine a figure. In the current budget, compared to last year's budget, the major source of increase has been in sewer and water maintenance or construction.

In sewer operations and treatment, if you deduct the amount which is provided for rate increases, there has been a net decrease in projected budget costs for treatment of sewage between the two budgets. You will grant, as he understands it, an effective 5.5 percent increase in wages which represents 50 percent of the operating costs, yet between the two budgets there is a 13.5 percent increase in the two budgets, which means that in the non-salaried areas or in additional personnel there has to be a 20 to 22 percent increase in order to make that work.
They can see that it is not in the area of treatment and, ironically, it is not in engineering either, because the original figures they had showed a massive increase in engineering which has been reduced significantly in the budget which Council is currently considering. This is not necessarily said in criticism of the Utility Department's information as much as it is that you are dealing with a fluid situation where the November figures are not necessarily applicable today. That is one of the reasons why the Committee is suggesting that this thing should be reviewed on a continuing basis as opposed to trying to take something five years out when the five months out figures of the original report are no longer applicable. In fact, if you take those figures, the figures for sewage treatment actually show an equalized cost of 73c ccf. So, even the 6c will not do it based on those figures.

Councilman Gantt asked how they arrived at the 46c equalization figure? Is that simply taking the price that the lower volume user has which would be primarily every residential user in the City? Mr. Huson replied yes. They asked the Utility Department to tell them what revenue would be generated from that source, with that projection. Then they went back and took their cost projections, reduced it approximately three or four hundred thousand dollars — reducing the operating budget the 10 percent — and also added back in what they think is about eight or nine hundred thousand dollars in interest which is not shown as revenue, and they felt that the budget would balance. They are not sure that it will, but they are pretty sure that it does not necessarily need to be $900,000 wrong.

Councilman Gantt stated then he is not confident that we are going to be talking about a million dollar deficit? Mr. Huson replied if they reduce the operating budget and if the interest is included, he is confident they are not going to talk about such a deficit.

Mr. Fennell stated one of the problems involved in that the rate structure does not support the system as it operates now. The use charges are not supporting the system. In 1975 they earned interest of $1.7 million which did defray the user charges. There are a number of facts that are going to occur that is going to change the amount of interest they are likely to earn. (1) There is probably going to be less funds available. If they do not sell bonds, obviously there will be fewer funds that they will have available for productive earnings. (2) If they carry out the $16.0 million program that they are going to get from the federal government, this will be on a reimbursable basis and they will have to make expenditures and probably have a lag of three months before they will get any funds back. That is going to require more working capital, a greater instant cash fund, and therefore, this will also decrease the money that we will have to be invested because it will have been spent, pending the reimbursement by the federal government of these expenditures. So, these two factors are going to work against their earnings a million dollars in interest in 1977. He would say they may earn perhaps between $500,000 and $750,000. It is true that the short term interest rates have improved but these are their best estimates at the present time. They do not feel that they should project interest earnings at the moment above the $750,000 under a situation where they are not going to sell additional bonds and where their working capital requirements are going to be much greater if they carry out a $16.0 million construction program on a reimbursable type basis.

Councilman Withrow stated the Community Facilities Committee was talking about three years time. What if this was done in two years time and during the first year of the two years time, we had a rate structure study — we should do it in this one year — and at the end of that one year, adjust it at what it would have to be adjusted at that time. He thinks the Committee is not talking about one thing and they seem to be talking about another, but if we had a study on the rate structure itself in this one year period, then we could tell at the end of that year where we should go from there. Mr. Fennell replied he is inclined to agree with that because he thinks the Committee has a point that we are in a very difficult time before projection. Obviously, he does not have a crystal ball either, but they are making the assumptions of a three percent growth and they would have to go into the surplus funds another $247,000 in order to take care of this $500,000 projected deficit. They feel that this is a realistic estimate although obviously this is a projection. He would agree this would be a good compromise and it would also meet some of the suggestions that have been made by the CFC that you could look at the rates during the year and see whether or not they are going to be adequate.
Councilman Withrow stated this would actually be a compromise between what the Department wanted and what the Committee wanted. Mr. Fennell replied this is true because they have looked at more recent figures, as Mr. Huson stated, than were available to them seven months ago when they first made projections. Looking at the revised figures he would have to agree with the evaluation just made. He does think that it would be a very tight budget for them.

Councilman Williams asked if Mr. Fennell has considered the impact of possible annexation of 20,000 to 30,000 more people during the next year and maybe of a sewer bond referendum of several million dollars? Mr. Fennell replied they had projected a possible debt service cost of $300,000 in their figures. This may not accommodate the full amount of bond required for annexation. He thinks the action Council took a few years ago is probably the proper approach. He feels that income currently being generated from annexed areas plus the $906,000 which was appropriated from Revenue Sharing will almost approximate the debt service on the bonds that were sold to finance extension in the annexed area. They had a gross cost of approximately $22.0 million, they got about $3.0 million in grants which made a net cost of about $19.0 million. The revenue generated currently in that area is about $1,080,000 and if you take a good half of that for the operation costs of approximately the ratio they currently have that would give you around $1.4 million and that would finance the $19.0 million net expenditures in the last annexation. They have not considered the full range costs of any future annexation. They have $2.6 million in unsold water bonds right now. They would estimate $300,000 would probably accommodate a $10.0 million bond issue but that would only accommodate interest for the first year. It would not accommodate a full serial repayment of the principal itself. This would average out between $70,000 and $75,000 per million dollars if you have it at a straight serial maturity.

Councilman Williams asked about the interest you might earn on these hypothetical bonds? Mr. Fennell replied they would definitely earn interest on the date of sale of the bonds until the date of payment of contract. This would very definitely have a tendency to offset the interest cost during the first two years of the construction. He would say it would pay 50 percent of the interest cost in the first two years.

Councilman Gantt stated in his projection on interest on investments Mr. Fennell used consistently $0.5 million. Does he want to be a little more bullish on that now? Mr. Fennell replied they are doing so under a certain amount of pressure, obviously. They want to try to hold the rate down as low as they can. They feel that is stretching it a little bit. But on the other hand, if they do go through with the $10.0 million bond sale, they will earn more interest than that but it is going to have to be offset with the new debt service that is going to be generated on the $10.0 million. They feel that this is a realistic estimate. Frankly, he may have hedged slightly on the conservative side on this. He thinks it is only prudent to do so under the present economic conditions as we are rapidly expending our bond funds. But, they are willing to revise this projection to $750,000. They think that is an outside figure.

Mayor pro tem Whittington stated in the three alternatives that Council was given the one that appeals to him is No. 2. That Mr. Sheridan and the Community Facilities Committee spoke to this and Mr. Dukes said he approved. Now, what is Mr. Fennell’s argument against No. 2 - the difference between the present rate and the cost of producing water across the board for three years?

Mr. Fennell replied he had no quarrel with Alternative No. 2. It attempts to project the rate farther into the future and there is some thinking here that we ought to try to project only for one year. As he understands it, the Committee’s 4¢ to 6¢ projection is based on a more near term projection, whereas Alternate No. 2 is a longer term projection.
Mayor pro tem Whittington stated it is No. 2 versus No. 3 and of course you could have the study during the first year whichever course you took. Councilman Williams stated that in one case you end up with 62¢ and the other with 46¢.

Mr. Burkhalter stated he wanted to be sure they were all talking about the same thing. He stated that what Mr. Dukes recommended in the original study, Alternative No. 2 of that study, was to start to raise all sewer rates from the beginning rate of 46¢ to 51¢, and the end rate from 20¢ to 34¢; the next year to raise it from 51¢ to 57¢ at the bottom and 34¢ to 48¢ at the top; the third year to raise the bottom from 57¢ to 62¢ and raise the top 48¢ to 62¢. In other words, it raises the low end 14¢ a year for three years; it raises the other end from 46¢ to 62¢ in three years, which is predicted for the cost in three years. The Community Facilities Committee recommended that you take 46¢ and approach that, from the top of the scale - the 20¢, in three years. What he understands Mr. Withrow to say is that a compromise between Mr. Dukes' and what the Community Facilities Committee recommended which would take the committee's recommendation and make it two years. This would mean that you would reach that figure from 20¢ to 46¢ in two years rather than in three years.

Councilman Williams stated nevertheless 46¢ would be your top figure. Mr. Burkhalter stated that is why Mr. Fennell says provided you take another look at it during this year to see if the projections are right. That you certainly have to look at it next year and if you have a consultant do a thorough rate study, which would take into consideration all operational costs. The difference that he hears here tonight is not unusual. It is "Where do you put that? Who pays for the expansion of your system? Who pays for improvements that you make?" and "If you are getting all the water you want now, why should you make it any more?" But, the City has to take a look at the whole broad picture of the people you are going to have to serve in the future. You can look at water systems anywhere in the United States and he does not think you will find any water system better than ours. But this water system, over a long period of time, has done a magnificent job in meeting the demands before they arise. Charlotte has been one of the few cities that has not had to curtail the use of water, has had water pressure in major areas at times for fires and other purposes. That is because of the forward look of providing for the future. Right now there is ample water in this city to take care of some five or six million gallons of water a day that somebody might need. If you have it, though, you have to replace it.

Mr. Beck stated he has some very serious reservations about a professional study of the rate structure. They hinge on the fact that he has read the last two - one written in 1960 by a New York engineering firm; one written in 1968 by a Massachusetts engineering firm. If any members of Council want to engage a third engineering firm, he would strongly recommend they read these two reports because they are verbatim. They are written eight years apart by engineering firms in two different states and they use exactly the same editorial comment. He would prefer that the Community Facilities Committee not be cut out of any rate studies that are done. If they want to have a rate study and if they want to have someone come in and make professional judgments as to how these various costs should be allocated on various classes of users, he personally would prefer that they pay the engineers to come in to itemize for them and to defend in public hearings their assumptions and their theories and their rationales and then either the Committee or the City Council or anyone else they choose would decide what theory should apply, what rationale is valid and what assumptions we think should be utilized and let the Utility Department do the arithmetic. He stated according to their charter from 1969, it is the Community Facilities Committee's job to do this. When you pay an engineering firm to come in and do a study and what you get is a written report and the assumptions are buried in it, you either live with them or else you throw the thing away and do what we are doing now. He agrees that perhaps they could use some outside help in determining how these costs should be allocated, but he
definitely disagrees with the assumption that an engineering firm should be paid to come in and do the Committee's job for them.

Councilman Withrow stated he did not say an outside firm. He just said they should have a rate structure study - he did not say who. That he talked with Mr. Fennell about this and he suggested what Mr. Beck suggested - that the Community Facilities Committee and the Utility Department together could make this study. Where the outside study came from he does not know. He did not move, nor did he say, an outside study.

Speaking for the larger volume users were Mr. W. E. Royal, Lance, Inc.; Mr. James H. Barnhardt, 1100 Hawthorne Lane; Mr. Joe W. Grier, Attorney; and Mr. B. L. Bullard, Presbyterian Hospital.

During the comments, Council was requested to reiterate the charge to the Community Facilities Committee that is included in the August 18, 1969 minutes of the City Council Meeting setting up the Committee.

After the comments and discussions, Councilman Withrow moved that Council accept the two year recommendation of the Community Facilities Committee instead of the three years, and in the first year that a thorough rate structure be studied, conducted by the Community Facilities Committee and the Utility Department combined, and any outside help they need to come to this Council and ask for it in order to make this study. The motion was seconded by Councilwoman Locke.

Mayor pro tem Whittington asked if the outside help means outside of Charlotte? Councilman Withrow replied it means outside engineers that they might need to make this study.

Councilman Davis asked if he will consider as a part of the motion if the results of the study approved by this Council indicate that the volume users are entitled to some discount - we have overcharged them during this period - they would get a refund with interest? Councilman Withrow replied, he thinks at that time we would make the necessary changes in the rate structure that is given to Council as recommendations. Councilman Davis asked if it would forego any change in the interim that has taken place? Councilwoman Locke replied yes.

Following was a discussion of the motion. After which the vote was taken on the motion and carried unanimously.

Councilman Withrow then read an ordinance amending Chapter 16, Section 16.41 of the City Code with respect to the water and sewer rates, and moved its adoption. The motion was seconded by Councilwoman Chafin, and carried unanimously.

The ordinance is recorded in full in Ordinance Book 23, at Page 187.

CHARGE OF 1969 TO THE COMMUNITY FACILITIES COMMITTEE REAFFIRMED.

Councilman Williams moved that Council reaffirm the charge to the Community Facilities Committee as it appears in the Minutes of the City Council Meeting of August 18, 1969, and requested that the Community Facilities Committee report to the Council on a quarterly basis. The motion was seconded by Councilwoman Locke, and carried unanimously.
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APPRECIATION EXPRESSED TO THE COMMUNITY FACILITIES COMMITTEE, UTILITY DEPARTMENT DIRECTOR AND FINANCE DIRECTOR FOR THE WORK PUT FORTH CULMINATING IN THE ADOPTION OF THE ORDINANCE ON THE SEWER RATES.

Mayor pro tem Whittington stated on behalf of the Mayor and City Council he would like to thank Mr. Sheridan and his Committee, Mr. Dukes and his staff and Mr. Fennell and his staff. That all of them made a real contribution. He stated with this rate structure study that has been asked for many of the answers they are looking for will come out.

CONTRACT WITH SCHWARTZ AND SON, INC. FOR RECLAMATION OF WHITE GOODS AS A PILOT CONTRACT, AUTHORIZED.

Motion was made by Councilman Gantt, seconded by Councilwoman Chafin, and unanimously carried, approving a contract between the City and Schwartz and Son, Inc. for the reclamation of white goods such as appliances, refrigerators, freezers and stoves as a pilot contract for both parties to test the feasibility of reclaiming this material that is being buried in the City's landfills.

SHARON AMITY ROAD MEDIAN PLANS TO REMAIN.

Mr. Readling, City Engineer, and Mr. Corbett, Traffic Engineering Director, reviewed with Council the plans for Sharon Amity Road, Phase III.

Mr. W. K. Wilson, Petroleum Engineering Service, 4700 North Sharon Amity Road, stated he resides there and his business is at the back of the property. He is not protesting the excellent work that the City Council has done in the advancement of the City of Charlotte. He does respectfully request some relief relative to the removal of the median strip on North Sharon Amity in front of their business entrance. He had available pictures of some typical tractor-trailer pipeline rigs which is their storage facility and field offices. The maximum length of these rigs from the end of the fifth wheel mounted from the forward position runs from 50 to 52 feet long from bumper to bumper. In view of this, last Friday afternoon after the traffic slowed down on Sharon Amity Road they desperately tried to put one of these units in their driveway entrance using the edge of the proposed median strip as a guideline. It took from ten to fifteen minutes, pulling up and jacking back, to try to maneuver the trailer in line for the entrance to the driveway. This could hold up traffic on North Sharon Amity Road for considerable time and would back it up for miles. They found that it was impossible to maneuver the tractor-trailer into the proper alignment for entrance into the driveway to their company. Therefore, they had to drive towards Hickory Grove, turning left on Shamrock Drive and returning on the new area of Sharon Amity Road, crossing the proposed median strip area from the left hand side of the dual lane highway for access to the company driveway, which was easy to do at that point.

In view of these circumstances, he respectfully requests that the median strip be removed from the Verndale Road entrance on Sharon Amity far enough below the main driveway going into their office and to their warehouse, for a left-hand turn at that point.

Being in the service business for both the telephone company, for AT&T and various major oil companies, they are on call 24 hours a day, 365 days a year.
Mr. Wilson passed around the pictures showing the size of his rig, the entrance to the driveway, looking towards Central Avenue and towards Hickory Grove.

Mr. Corbett indicated on the map the entrance Mr. Wilson referred to and stated the median would block access for left turns to this entrance.

Mr. Wilson stated he has no objections to the other entrances to the three driveways; one is their home and the other two are properties they own in the area; there are no objections to those. But this one poses a major problem.

Mayor pro tem Whittington asked if he is saying all his trucks are coming from the direction of Hickory Grove? Mr. Wilson replied not necessarily; they would be coming from Central Avenue, off 74; they could be coming from any direction. That you cannot make a right turn coming from Central Avenue using the edge of the median strip to get into the drive. That in 21 years they have never had an accident going in and out of that area.

Councilman Gantt asked how they were able to get the room to turn into the drive when the road was two lanes without interfering with the opposing lane? Mr. Wilson replied you did not; you went over into the oncoming traffic; you watched your step and moved cautiously, and moved out with the traffic.

Councilman Withrow asked if there is any way to make the drive opening wider? Mr. Wilson replied it is as wide as required; it is wide enough to do it if you have the room to swing. Mr. Corbett stated they made the new curb cut almost twice as wide as the old curb cut. That it is now 35 feet which is the widest permitted under the City Code. It is the same width as all driveways where tractor-trailers are accommodated.

Mr. J. A. Basinger, 4508 North Sharon Amity, stated he moved to this residence in February of this year; and the major road work and construction began soon after he settled in. That last week he noticed the medians had been staked out along this stretch of road in front of his apartment and on back. That he believes the medians on this section of the road would be a mistake. The stretch of Sharon Amity recently completed between Albemarle Road and Central Avenue had a median when first constructed and then removed at the request of the small business and apartments along the street. The people he has asked who live along this section of Phase III lean toward a five lane proposal over a median strip. This section is wide enough to put a center turning lane in - this was certified by Mr. Deaton of the Traffic Engineering Department. The turning lane would be much more accessible for a number of residents who will not have a left turn opening on to Sharon Amity. With the ever increasing traffic on Sharon Amity from the Shamrock-Hickory Grove area, the traffic should move much smoother with the middle turning lane.

He stated he would much rather travel on Sugar Creek Road than he would a number of streets with the center median. You can get to where you are going much quicker. During peak hours the left turn lane gets out of the way and gets out of town. Economically he is sure Council worries about the property values of this area, and sometimes he thinks the five lane area tends to bring in small businesses, but he thinks the property values would increase along this section of Sharon Amity with the business influx.

Mr. Basinger stated he believes the use of the five lanes would be a sound decision, a practical judgment and positive act on the part of Council for the future of the Sharon Amity area. Why break down the continuity of the stretch you have before where you had the median stretch and then took it out. He recommended that Council review the Phase III widening process, and include a center turning lane in place of the proposed median.
Mr. Ben Horack, Attorney, stated several weeks ago he gave Council the specific proposals that addressed themselves to their location. That the map before Council shows the location of United Federal Savings and Loan on the western side of Sharon Amity, which is almost opposite the Granville Apartments. He stated he represents United Federal and Mr. Winfred Ervin, the Granville Apartments. Mr. Ervin had to leave with the Planning Commission, and asked that he speak for him.

These materials which he gave Council on May 31 were prepared by Mr. Charles Davis, President of Traffic and Planning Associates, Inc. That Mr. Davis is the traffic consultant for a number of cities and towns. He stated Mr. Corbett has indicated on a number of occasions that he prefers an unbroken median. The median that he refers to here extends from the Eastland Mall entrance all the way down to Wilora Lake Drive, which is about 1200 feet. They grant that the unbroken "wall of China" will be the safest way as far as traffic is concerned; however, Charlotte has no median policy; it has no guidelines. That he has reviewed the past minutes and the three other exercises or more on Randolph Road, Sharon Amity, and some of them have deplored the fact that they do not have any guidelines in these commercial oriented areas. Both of these properties either adjoin business or are themselves under office zoning. There are viable alternatives. Some of them have been alluded to - alternatives to a solid unbroken median. That he will ask Mr. Davis to present his views to Council with the hope they will not only offer a solution to the specific problem of the apartments and United Federal, but may give them an insight to help with other similar problems elsewhere.

Mayor pro tem Whittington stated Council already has Mr. Davis' plans, and asked that he be as brief as possible.

Mr. Davis stated he wants to present a design approach to Council that might be applied in some of the commercial areas and may provide the necessary separation of opposing traffic as well as flexibility to provide for turning traffic from the roadway into private establishments.

As traffic engineers, and he has a firm a part of which is traffic engineers, they would rather build solid medians with absolute separation of opposing traffic. On this he agrees with Mr. Corbett; however, the community with all its facilities exiting to serve all its citizens and the individual property owner adjacent to a major street has the right to as much access as can be provided consistent with the reasonable and safe operation of the street. Individual operators are the life of the community. Any policy of the construction of the street should consider these individuals as much as reasonably possible. He knows they are all familiar with the fifth lane operation which is the separation center lane on five lanes of roadway providing for left turns at that point. The center lane is controlled in varying degrees by marking, by channelization and signing. It offers separation of opposing traffic flow in a space out of through traffic in which left turns take place. It has almost become a standard construction in commercial areas requiring multi-lane treatment along the Department of Transportation routes in this state. Of course, all these communities are smaller than Charlotte. However, the size of the community only tends to reduce the scope of the traffic problem. Instead of 50 streets of the type that requires this, you might have five or ten streets that need it just as much. But you still have the volume there on certain streets. That he knows the fifth lane has been used in Charlotte, and he proposes that Council consider it for more extensive use. They think it could have a more extensive use and serve a very good purpose. It will receive much better acceptance in many applications than a solid median, particularly in commercial areas where there is a demand for left turns into individual establishments.

He presented slides on the type of treatments in various communities, and stated they were taken during off-peak hours.

Councilman Gantt stated in view of all these arguments he personally thinks we should leave the plans as they now stand, and he so moved. The motion was seconded by Councilwoman Chafin, and carried unanimously.
PRESENTATION OF PLANS TO IMPROVE CITY COACH LINES.

Mr. Kidd, Transit Planner, stated he would like to bring tonight a report by their consultants, Ilium Associates, which is really a status report on the project they began March 22, 1976. As a part of the agreement, the consultant will provide us with a marketing plan for the transit system.

Mr. Gary Andersen of Ilium Associates stated starting Friday of this week the City is going to be in the retail business - that it is unusual for a city to get into that business. If they plan to improve the services for public transit's existing riders, and plan to begin to improve and increase ridership, they are going to have to compete for that actual market place. This means, in effect they will have to survive as do most other businesses by actually competing in the market place by meeting consumer demands. That is the effect of this report - to try to show them, and give them direction that will require them to be able to satisfy the consumer demands.

Public transportation's primary obstacles are the automobile and public apathy. The automobile problem is based upon its high flexibility and the fact that most cities are built around the automobile, not around public transportation. The second aspect is the fact that automobiles are a very serious productive function as it relates to the alter ego. Many people own a car because it satisfies many things they do need psychologically or physically. As it relates to the apathy problem here, the fact is that most people have learned since the age 16 when they learned to drive a car that the bus is for the other guy.

Public transportation is not going to be able to overcome these obstacles by simply passing a few laws or investing money. It is going to require very orderly plans which will allow them to compete in the market place. It is a very important issue to realize that when you are dealing with other public utilities such as fire, police and so forth, that is one we establish a rate for and there is no competition in the market. Right now the competition is 98 percent of the other people who are not using public transportation.

Public transportation is never, ever going to pay for itself out of the fare box ever again, which means if we are going to be able to begin to shrink that gap between cost of operation and fare box revenue it will take a very orderly, planned marketing and management strategy and not one that will be solved simply overnight with a few advertising programs, or a few ordinances that will allow more capital investment. The dollar being spent today in public transportation is inefficient by today's standards. The intent of this plan is to begin to provide efficiencies for being able to allow either way to increase ridership, increase revenue, and increase operating efficiencies. It will take a lot of work on the part of the staff, and a lot of work on the part of the City Council, and a lot of work all the way from the mechanic to the driver, to the management company to the City Council, and also the press. Without the press it does not get off dead center. They are a very valuable asset in this project.

He stated he would like to very briefly go through some of the plans in the brochure which he has given to Councilmembers. Realizing if they will that the plan is based primarily upon the input of 200 Charlotte citizens. These citizens spent in excess of three hours with them, responding to 600 different kinds of questions relating to public transportation. From that they identified the problems they say they are having - rider and non-rider. The results is a plan designed to solve the consumers' needs based upon also the input they have had nationally through other cities such as Charlotte. Every city is different. The solutions, the directions, the processes may be the same, but the actual implemented programs and ways of handling them will be Charlotte related. That means you will have to design the system within the personalities and historic perspective and the needs of the people in Charlotte today, and in the future.
Mr. Andersen referred to Page 2 of the brochure. He stated in the case of one very important point to the system perspective, the majority of the people believe that less than ten percent of the population is adequately served by the current system. They also believe that 65 to 70 percent of the population should be served. Physically, the transit system in Charlotte is within one quarter of a mile of about 85 percent of the population. There is a very big problem in gap in reality and also it actually is there. Perception is the problem. Physical features as far as the buses are concerned are looked upon as the bus is not very clean. They realize that chicken bones, cockroaches and cigarette butts and pop cans down the aisles is an environment that those with a choice will not choose to take.

In the case of community perspective, the majority view the idea of public transportation positively. That is a very big step in the right direction. They find many cities, no matter what you present to them on the public transportation as an idea, people believe that public transportation should work. It is very easy to say that 98 percent of the public say it is a good idea, but to go out and ask them to ride is a different picture. It is a positive environment to begin an effective management and marketing program.

Toward the bottom of Page 3 under fares it says that alternative fare payment methods are going to be required. They are not suggesting a discount in fare structure but different ways to be able to pay for public transportation in this City of Charlotte. When people were asked whether or not free transit was a good idea for those who can least afford it, the response from not only those who could afford it, but those who could not, said that free fares was not an advantageous thing for them to be able to have, and wanted to pay a minimum rate for that. Transportation stands for low income groups were not favored; extra charges for special services were also viewed as being negative. People did not want to pay any more than base fare if they can avoid that. From the standpoint of equipment, changes must be made in new equipment as it relates to the physical and psychological amenities and designs of the interior. Right now it does not meet the standards if a person has a choice on whether he can take the car or take the bus.

A very ambitious training of personnel is going to be required. Currently the people who are meeting the people right now by the public as a whole is not looked upon positively. They need to have the knowledge that meeting the consumer is a very difficult task, and they have to be shown how by this City or the City staff. There is going to be a need to look into services, and into routing; there is going to be a requirement to looking into schedule change as it relates to headways and frequencies; there is going to be a requirement to provide more information at passenger stops throughout the city; there is going to be a requirement for the need for more information at public locations such as buildings and areas where the bus stops, and by direct mail. There is going to be a requirement for new system maps and more public information is going to be spelled out. You must show people how to use the system that is there right now. That in itself will increase ridership.

Mr. Andersen stated the general structure of the remainder of the program before Council is first to establish goals for the system. In effect they are policy statements for the City to adopt. Either you want to provide public transportation, or you let it stand status quo.

The objectives will allow them to retain those goals that are established. It is followed by policy statements that are designed to meet and obtain those objectives; and finally culminated in a form of a report laying out recommendations, staff requirements, and lay out of recommendations of management company responsibilities versus staff requirements; it is also laying out budgets.
Mr. Andersen stated they look upon this program, while it may be very ambitious, as pretty much a minimum effort for a first year program. The first year of the system is where you begin to establish your policies, goals and directions, and formats. If you do not start it at an ambitious level right now, you miss a very golden opportunity. Public Transportation is a very exciting planning tool. As time goes on, public transportation is going to be required more by every citizen in every city in the country. They encourage the City to use public transportation to the citizens' advantage.

Mayor pro tem Whittington thanked Mr. Andersen and stated to Mr. Kidd that he hopes he will at a later date take the time to get this back to City Council on an agenda where Council can have an hour to get into an in-depth report.

CONSENT AGENDA.

Upon motion of Councilwoman Locke, seconded by Councilman Withrow, and unanimously carried, the following Consent Agenda items were approved:

(a) Settlement in the case of City v. A. S. McCorkle, et al, in the total amount of $1,400.00, for the Oaklawn Avenue Widening Project, as recommended by the City Attorney.

(b) Contract with Stork Inter-America Corporation for construction of 475 feet of 8" C. I. water main and one fire hydrant to serve Stork Inter-America Corporation, inside the city, at an estimated cost of $5,250.00.

(c) Encroachment Agreement with North Carolina Board of Transportation permitting the City to construct sanitary sewer crossings for the Paw Creek Outfall, Phase II, at the following locations: Little Rock Road, Toddville Road and Thrift Road.

(d) Six ordinances ordering the removal of weeds, grass, limbs and trash pursuant to the City Code, at the following locations:
   1.) 5439 Snow White Lane, Ordinance No. 149-X.
   2.) Rear of 7017 Ludwig Drive, Ordinance No. 150-X.
   3.) 4241 Plato Circle, Ordinance No. 151-X.
   4.) Vacant lot adjacent to 1367 Bethel Road, Ordinance No. 152-X.
   5.) 3045 North Alexander Street, Ordinance No. 153-X.
   6.) 1315 Harding Place, Ordinance No. 154-X.

   The ordinances are recorded in full in Ordinance Book 23, beginning at Page 193.

RESOLUTION APPROVING A MUNICIPAL AGREEMENT BETWEEN THE CITY OF CHARLOTTE AND THE NORTH CAROLINA BOARD OF TRANSPORTATION FOR THE EXTENSION OF DELTA ROAD INTO IDLEWILD ROAD.

Councilman Williams moved adoption of a resolution approving a municipal agreement between the City of Charlotte and the North Carolina Board of Transportation for the extension of Delta Road into Idlewild Road. The motion was seconded by Councilwoman Chafin, and carried unanimously.

The resolution is recorded in full in Resolutions Book 11, at Page 466.

NOMINATIONS TO CIVIL SERVICE BOARD AND HISTORIC PROPERTIES COMMISSION.

Councilman Withrow placed in nomination the name of L. W. (Buck) Brown to fill the expired term of C. D. Thomas on the Civil Service Board for a three-year term.
Councilman Withrow placed in nomination the name of Walter Toy to succeed himself for a three-year term on the Charlotte-Mecklenburg Historic Properties Commission.

ORDINANCES FOR YEAR END ADJUSTMENTS WITHIN VARIOUS FUNDS TO COVER EXPENDITURES ANTICIPATED WITHIN THE CURRENT FISCAL YEAR AS REQUIRED BY THE NORTH CAROLINA STATE FISCAL CONTROL ACT.

Motion was made by Councilman Gantt, seconded by Councilwoman Chafin, and unanimously carried, to adopt the subject ordinances as follows:

(a) Ordinance No. 147-X amending Ordinance No. 662-X, the 1975-76 Budget Ordinance, authorizing the transfer of funds within the General Fund and appropriating additional UMTA grant funds in the Public Transportation Fund.

(b) Ordinance No. 148-X amending Ordinance No. 662-X, the 1975-76 Budget Ordinance, revising revenues and expenditures in the General Fund to provide for the transfer of interest earnings to the Municipal Debt Service Fund, and transferring interest earnings from the unencumbered balances of certain Capital Projects Fund and Bond Funds to the appropriate Debt Service Funds.

The ordinances are recorded in full in Ordinance Book 23, beginning at Page 189.

EFFECTIVE DATE OF FOURTH WARD PLANS AND CONTROLS CHANGED FROM JUNE 7 TO SEPTEMBER 1, 1976.

Councilwoman Chafin moved that the effective date of June 7, 1976 for the Fourth Ward proposals (a) through (h) be rescinded with respect to the date only, and that the remaining portions of the proposals shall remain the same. The motion was seconded by Councilwoman Locke, and carried unanimously.

Councilwoman Chafin moved that the effective date for the Fourth Ward proposals (a) through (h) shall be September 1, 1976. The motion was seconded by Councilwoman Locke, and carried unanimously.

RESOLUTION AUTHORIZING CONDEMNATION PROCEEDINGS FOR THE ACQUISITION OF PROPERTY BELONGING TO WILLIAM H. MONTY, JR., MARGARET EDITH MONTY, SARAH ELIZABETH MONTY HORNE, KITTY MONTY HUFFSTETLER AND LAURA ANN MONTY, LOCATED AT 1013 WEST TRADE STREET, IN THE CITY OF CHARLOTTE, FOR THE TRADE-FOURTH CONNECTOR PROJECT.

Councilman Withrow moved adoption of subject resolution authorizing condemnation proceedings for the acquisition of property belonging to William H. Monty, Jr., Margaret Edith Monty, Sarah Elizabeth Monty Horne, Kitty Monty Huffstetler and Laura Ann Monty, located at 1013 West Trade Street, in the City of Charlotte, for the Trade-Fourth Connector Project. The motion was seconded by Councilman Williams, and carried unanimously.

The resolution is recorded in full in Resolutions Book 11, at Page 467.

ADJOURNMENT.

Upon motion of Councilwoman Locke, seconded by Councilman Withrow, and unanimously carried, the meeting adjourned.